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A STUDY OF VENEZUELA'S INTERNAL AND EXTERNAL THREAT AND THE UNITED STATES SECURITY ASSISTANCE PROGRAM IN THE BUILD-UP AND MODERNIZATION OF HER FORCES

THESIS

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AFIT/GLM/LSM/84S-58

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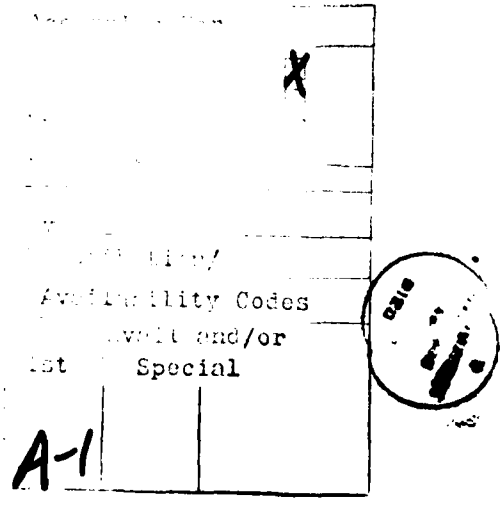

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THESIS

Presented to the Faculty of the School of Systems and Logistics of the Air Force Institute of Technology Air University In Partial Fulfillment of the Requirements for the Degree of Master of Science in Logistics Management

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Abstract

Venezuela, the third largest oil producer in the world and one of the few successful democracies in Latin America needs to preserve her oil-dependent-economy progress, and her national rest. To achieve these objectives Venezuela needs to identify her threats and modernize and build-up her forces accordingly.

This thesis studied Venezuela's internal and external threats, her Air Force modernization and build-up needs and the sources she has available for the acquisition of her Air Force identified needs. The country's economic resources to pursue her Air Force modernization and build-up, and the role the United States Security Assistance Program can play in modernizing and building-up Venezuela's Air Force were also studied. The results of this study indicate that Venezuela's threats could result in future conflict. Therefore, modernization and build-up of Venezuela's Air Force is necessary being the United States Security Assistance Program the most appropriate route to take in acquisitioning her Air Force identified needs in the next decade.

A STUDY OF VENEZUELA'S INTERNAL AND EXTERNAL THREAT AND THE UNITED STATES SECURITY ASSISTANCE PROGRAM IN THE BUILD-UP AND MODERNIZATION OF HER FORCES

I. Background and Literature Review

Overview

In recent years the United States has recognized that peace in Central and South America is of vital importance to the achievement of U.S. defense policies. Venezuela, the richest country in South America, ranks among the world's leading petroleum producing countries with an oil revenue of over U.S. $17.5 billion in 1982 for a land of 14.3 million people (1:2). The income, however, is distributed to favor the upper and middle class in the urban centers and does not benefit the rural population, which continues to live on the margin of subsistence. One consequence has been a massive flight of the population from the rural areas to the urban community. About 80% of the total population lives in or around cities, and the cities can neither absorb the influx nor provide adequate housing and services (2:46). Furthermore, this migration has led to declining agricultural production. In 1982 agricultural exports were 3.2% of Venezuela's total exports compared to 4.3% in 1973

(3:33). Unemployment and inflation rates were also affected. In 1975 the unemployment rate was 8% and the inflation rate 11.3%; by 1983 these rates had risen to 13% and 25% respectively (3:64, 126). Politically, Venezuela has had a long history of internal military interference in or control over national affairs. Today, Venezuela is one of the few countries in Latin America with a functioning democracy. The nation has headed the crusade of nationalism and plays a leading role in pushing for a Latin American Economic System (SELA) to strengthen Latin America in its relations with the United States, thereby diminishing traditional U.S. influence in the area (2:79). With the nationalism crusade, Venezuela decided to reserve the right to undertake limited and strictly controlled ventures with foreign private capital. By congressional approval in the 1971 legislature, Venezuela nationalized the oil companies and the laws began to take effect in 1983 (4:68).

Despite Venezuela's oil wells producing more than a twelfth of the world's supply (4:68), and its rich iron-ore deposits, the Venezuelan government has been unable to stop poverty. Consequently, the oppressed rural population, aided by leftwing revolutionary and communist organizations, has engaged in insurgent attacks. Constant rural guerrilla activities, terrorism, violence, demonstrations, and riots,

combined with the sabotage of petroleum facilities, took a dramatic course in 1961 (5:69). The incidents ranged from sporadic and scattered attacks by uncoordinated groups, to carefully planned and organized campaigns which not only required a substantial insurgent command capability but also rather sophisticated analytical resources. From December 1961 to March 1964 the Creole Petroleum Corporation experienced 69 attacks which represent an estimated 60-70% of the total number of insurgent attacks against the Venezuelan oil producing installations (6:30). This situation virtually disappeared in the early 1970's but some armed actions during the late 1970's lead to a widespread speculation that guerrilla warfare might soon be on the rise (2:82). In addition, urban intellectuals and opposing political parties initiated a series of urban disturbances with the intention to discredit the Venezuelan government and gain some recognition for their own party. The Movement to Socialism (MAS), the Armed Forces of National Liberation (FALN), and the Movement of the Revolutionary Left (MIR) openly condemned the effort of the government to develop Venezuela in cooperation with the U.S. "capitalists and imperialists."

Cuban President Fidel Castro has envisioned the expansion of the Cuban "revolution" to other countries of Latin America, especially to Venezuela. Castroite terrorist activities have been prevalent in Venezuela for more than a decade in spite of government counterinsurgency efforts (6:22). Castro has financed, armed, and trained agents supporting local Venezuelan communists and other revolutionaries (6:22). In 1964 Cuba was condemned and sanctioned by the Organization of American States for having tried to oust President Betancourt, and allow a military take over of the government, hoping that the FALN revolutionary group would play a part in the newly established government (6:22).

Cuba is not the only communist nation to have interest in Latin America. The Soviet Union does, too (2:29). In recent years the "nationalism movement" of Latin America has caused discontent with the U.S. being viewed by the population as "capitalist and imperialist." The Soviet Union has managed to gain access to Latin America and views the existing feelings towards the U.S. as a positive sign to further increase access to the oil fields. To offset the Soviet influence the U.S. must help to maintain present and

future stability in Latin American countries like Venezuela through a dynamic economic, technical, and defense policy which will also attain the U.S. defense goals in that region (2:62-64).

Statement of the Problem

Venezuela's internal and external threats caused the interest for this study. The study looked at her historical, social, and economical evolution, her present military capabilities, and the needs which may exist as she builds up and modernizes her military forces. A systematic approach for identifying, planning, programming, acquiring, and maintaining an adequate force structure for the Armed Forces of Venezuela does not presently exist. A system is needed to help Venezuelan and United States decision makers understand the impacts of various funding and resources decisions.

An Approach to the Problem

This thesis was an attempt to document key data describing and assessing Venezuela's historical, social, and economical evolution, her internal and external threat, and her rationships with the United States emphasizing the impact of the U.S. Security Assistance Program efforts.

Further, it compiled the force data essential to quantify the needs to both maintain existing forces and acquire additional resources.

Literature Review

Two studies on the general subject of U.S. Security Assistance were completed by Glenn A. Casey, 1974, and Manuel Suarez, 1977. Both studies addressed how the government of Venezuela can best participate in the U.S. Foreign Military Sales Program (7; 8). Casey's study focuses on the Venezuelan experience with Military Assistance Program (MAP) and Foreign Military Sales (FMS). The study contrasts MAP and FMS with other modes of acquisition and the impact on maintainability of a lack of equipment standardization caused by multiple suppliers. Suarez's study also discusses the 1967 change in policy by the U.S. concerning arms sales and transfer policy toward Latin American nations on the theory these countries would divert their funds to socio-conomic development instead of increasing dollar amounts on weapons procurement. His findings concluded that the U.S. policy change did not slow down Venezuela's arms acquisition, but, rather, it directed her to look towards European markets as her suppliers thus continuing with planned weapon

acquisition increases. In the four year period from 1974 to 1978 Venezuela had increased defense expenditures by $163 million (9:166).

A Defense Technical Information Center literature search produced documents of value for this study. Three of these documents present the results of studies conducted by the Defense Research Corporation, Santa Barbara, California on the insurgent activity against the petroleum corporations and counterinsurgency in Venezuela (5; 10; 11). The fourth document is a study of Cuban infiltration of revolution by means of terrorism and other violent activities in Venezuela, and how Castroite revolutionaries and guerrillas intend to remain active in Venezuela (6). The last three studies describe the Soviet Union opportunities and interests in Latin America with emphasis on the oil producing countries such as Venezuela (12; 2; 13).

To widen the coverage of the literature search, the International Logistics Center (ILC), the Air Force Judge Advocate General Law Library, and the Law Libraries of Dayton and Wright State Universities were visited. An interview with Lieutenant Colonel Szwarc, Director, Directorate of South American Programs, and Lieutenant Colonel Barreno, Venezuela's Foreign Liaison Officer, both at ILC, revealed that the ILC has no summary narrative

record or study of the Security Assistance program in or for Venezuela (14; 15). The records/documents in the division are quantitative in nature and are contained in computer printouts. Other documents include daily transactions documented in messages, memos, and typewritten forms.

The Air Force Judge Advocate General Law Library, and the Law Libraries of Dayton and Wright State Universities, do not keep records or studies about security assistance programs. These facilities are depositories of legal documents such as Agreements and Laws enacted by the U.S. Congress relating to different countries and international organizations. These documents were important for background information in this thesis.

An interview with Major Rigsby and Mr. Trapp, both professors at the Defense Institute of Security Assistance Management (DISAM), revealed that DISAM's library had numerous documents with present and historical facts and statistical data on Venezuela's military forces and the U.S. Security Assistance Program MAP and FMS (16). These documents, authored by U.S. Government personnel, were used as research sources and included:

> Foreign Military Sales,
> Foreign Military Construction Sales,
> and Military Assistance Facts as of September 1983;
> Congressional Presentation on Security Assistance
> Programs;

Defense Foreign Affairs Handbook;
Annual Reports on Military Assistance and Exports;
Country Reports on Human Rights Practices;
Worldwide Directory of Defense Authorities with International Defense Organizations and Treaties;
United States Department of State Bureau of Public Affairs Policies;
World Armaments and Disarmaments;
The Military Balance;
Market Intelligence Report, and
International Defense Review.

Scope

The scope of this study included all aspects of Military Assistance to the Armed Forces of Venezuela, particularly MAP Grant Aids, FMS Cash Transactions, FMS Credit Terms, and International Military Education and Training (IMET) programs. Also addressed were the economic assistance and the commercial transactions under the Arms Export Control Act (AECA). In addition, it included the purchases from European suppliers, and the problems deriving from multi-source procurements. The Venezuelan Armed Forces, particularly the Air Force, played a major role in the research effort. Venezuela's Air Force depends heavily upon the U.S. Security Assistance Program not only for the acquisition of major weapons systems, but for logistical support and training as well. Finally, an analysis of Venezuela's historical, social and economical evolution, her present and future external and internal threat was conducted as the basis to determine Venezuelan forces needs into the 1990's.

Limitations

This study was limited to unclassified data sources and included only the Venezuelan Air Force.

Research Objectives

This study was intended to document key data to assist decision makers in understanding impacts of various funding and resource decisions, particularly concerning MAP and FMS, with respect to the Venezuelan Air Force. The study further identified and quantified Venezuela's future Air Force requirements to assist in the determination of the level of U.S. Security Assistance to be provided, and incorporated an analysis of the historical events and other factors which contributed to shape the modern Venezuela and her relation with the U.S.

Investigative Questions

1. What historical events and factors contributed to make Venezuela one of the U.S.'s most important allies in Latin America?

2. What are Venezuela's internal and external threats which lead to U.S. Security Assistance?

3. How much modernization and build-up does the Venezuelan Air Force need to face the threats?

4. What does Venezuela now have in her Air Force?

5. What is the present status of the Venezuelan Air Force readiness?

6. What role has the U.S. Security Assistance played i equipping and modernizing the Venezuelan Air Force?

7. What type and number of MAP and FMS items remain to be delivered to the Venezuelan Air Force through the 1980's under existing agreements?

8. Is Venezuela financially capable of buying what she needs to modernize and build up her Air Force?

9. What possible sources of financial or military aid are available from other Latin American countries and other allies?

Methodology

The research methodology of this study sought the answers to the above research questions by analyzing and evaluating available data. The data were collected from both U.S. and Venezuelan records on all categories of security assistance. These data might have had some discrepancies in them due to different recording procedures. U.S. data might have reflected items in-country or still in transition from U.S. to Venezuela while the Venezuelan documents might have reflected actual receipts in-country. In addition, personal or phone interviews with the U.S. Military

Assistance Advisory Group (MAAG) Office in Venezuela; Venezuela's Embassy and Liaison Officer; Intelligence; State Department; Air Force International Logistics Center, and the Defense Institute of Security Assistance Management, enriched this study.

II. An Introduction to Venezuela

The study of Venezuela's internal and external threat and the United Sates and other Security Assistance Programs in the build-up and modernization of her forces would be incomplete without reviewing the events and other factors that made this South American country one of the U.S.'s important allies. Furthermore, the study of Venezuela's historical evolution and other factors contributing to the Venezuela - United States relationship will enhance the understanding of both nations shared democratic ideals, their common interests, and their mutual respect. This chapter then discusses Venezuela's geography and climate, people, history, government, education, economy, foreign relations, and defense.

Geography and Climate

Venezuela is located at the North of South America, on the Caribbean Sea, between parallels 1° and 12° of latitude north, and meridians 60° and 73° of longitude west of Greenwich (Figure 1) (17:942). Bounded on the north by the Antilles Sea, on the east by the Atlantic Ocean and British Guayana, on the south by Brazil and Columbia, and on the

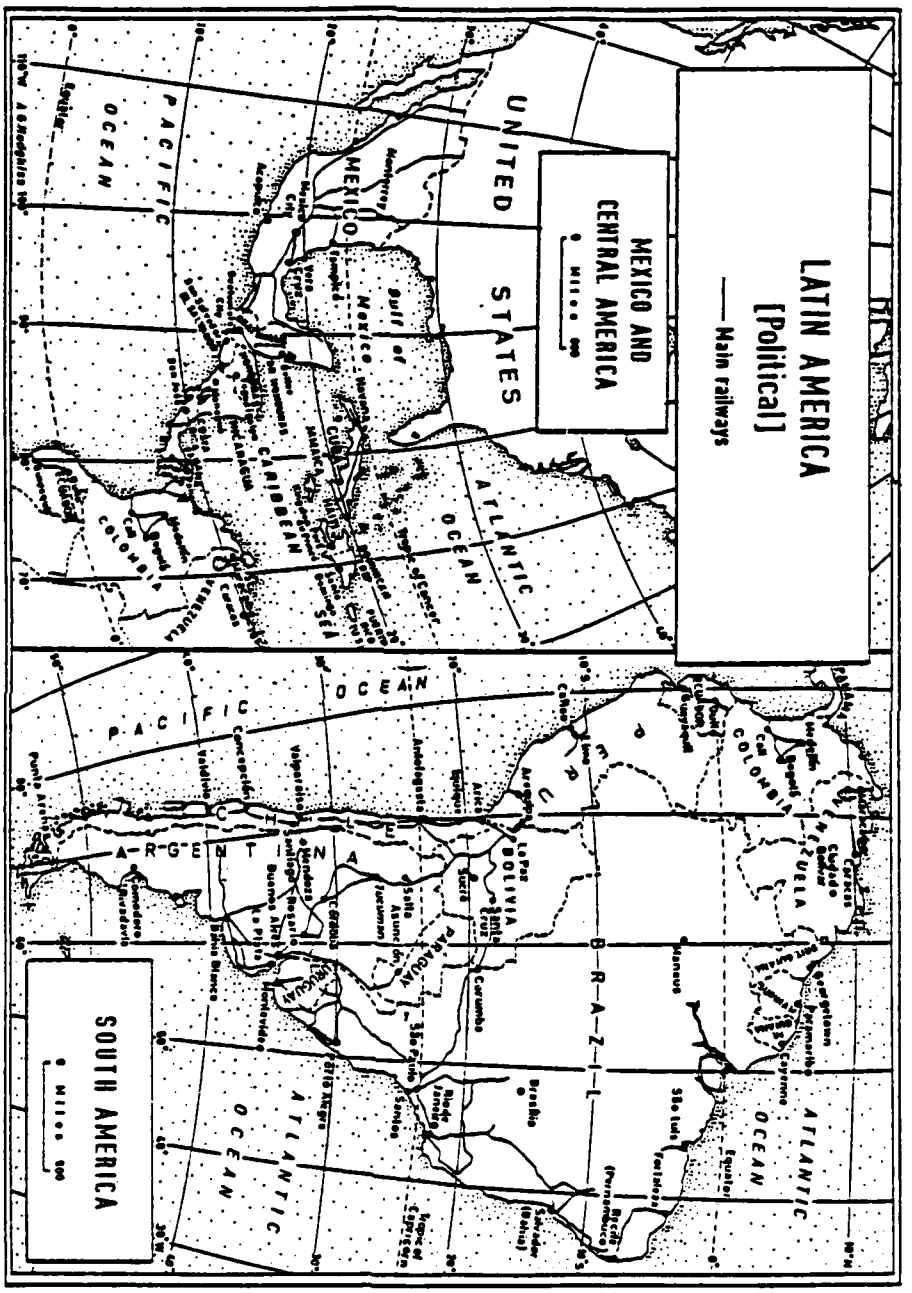

Figure 1. Venezuela's Geographic Location (18:2)

west by Columbia, Venezuela has a total land area of 633,050 square kilometers, 4% cropland, 18% pasture, 21% forest, 57% urban and other (Figure 2) (19:748).

This country's irregular coast lines stretch over 2,813 kilometers not including the numerous islands such as Aruba, Curacao, Bonaire, Tortuga, Santa Margarita, Trinidad, Las Aves, Los Roques, Orchila, Blanquilla, Los Hermanos, Los Testigos, San Pedro, Cubagua, and Tobago (17:942). In addition to the coast line, Venezuela has 1,059 rivers, several being navigable such as Orinoco, Meta, Arauca, Apure Caroni, Caura Guaviave, Zulia and Catatumbo and two lakes, Valencia and Maracaibo (17:9444). Along the coast, rivers, and lakes one can find the country's major ports La Guaiva, Puerto Cabello, Turiamo, Maracaibo, Ciudad Bolivar, Carupani, Puerto Sucre, La Vela, Guanta, Cristobal Colon, Pampatar, and Barrancas.

Venezuela is generally mountainous with numerous ranges which run roughly along the axis of the country. The most prominent are: Sistema de la Guayana with a total land area of 365,000 square kilometers and heights up to 3,100 meters; mountain Roraima 2,665 meters; Maravaca 3,100 meters; Duida 2,475 meters; Sistema Andino with a land area of 45,000 square kilometers and heights up to 4,000 meters; Paramo de Almorzadelo 4,000 meters; Paramo del Tama 3,613 meters;

Figure 2. Venezuela (20:V)

Sistema de Coro with a land area of 36,000 square kilometers and heights up to 1,500 meters; Sierra de San Luis 1,500 meters; and the Sistema Caribe with 41,000 square kilometers of total land area and heights up to 2,765 meters; Mountain of Naiguata 2,765 meters (Figure 3) (17:943-948).

Influenced by water and mountains, Venezuela's climate ranges from permanent snow on high altitudes to very hot at sea level. One can say that Venezuela has only two seasons, the rainy season from April to November when temperatures rise and the dry season the rest of the year when temperatures are mild and pleasant. Overall, Venezuela's varied climate allows for anyone to find the kind of weather he or she is accustomed to (17:951).

People

Long before the arrival of the Spaniards and other European civilizations, Venezuela was settled by Indians who had created no culture of distinction and who made no effective resistance against the Spaniards coming into their poor country in 1498 (21:5). Indians did not prove satisfactory as slaves, and black slaves were imported in large numbers from Africa to fill the labor shortage. Spaniards, other European civilizations, Indians, and Blacks mixed with one another creating the present race of Venezuelans.

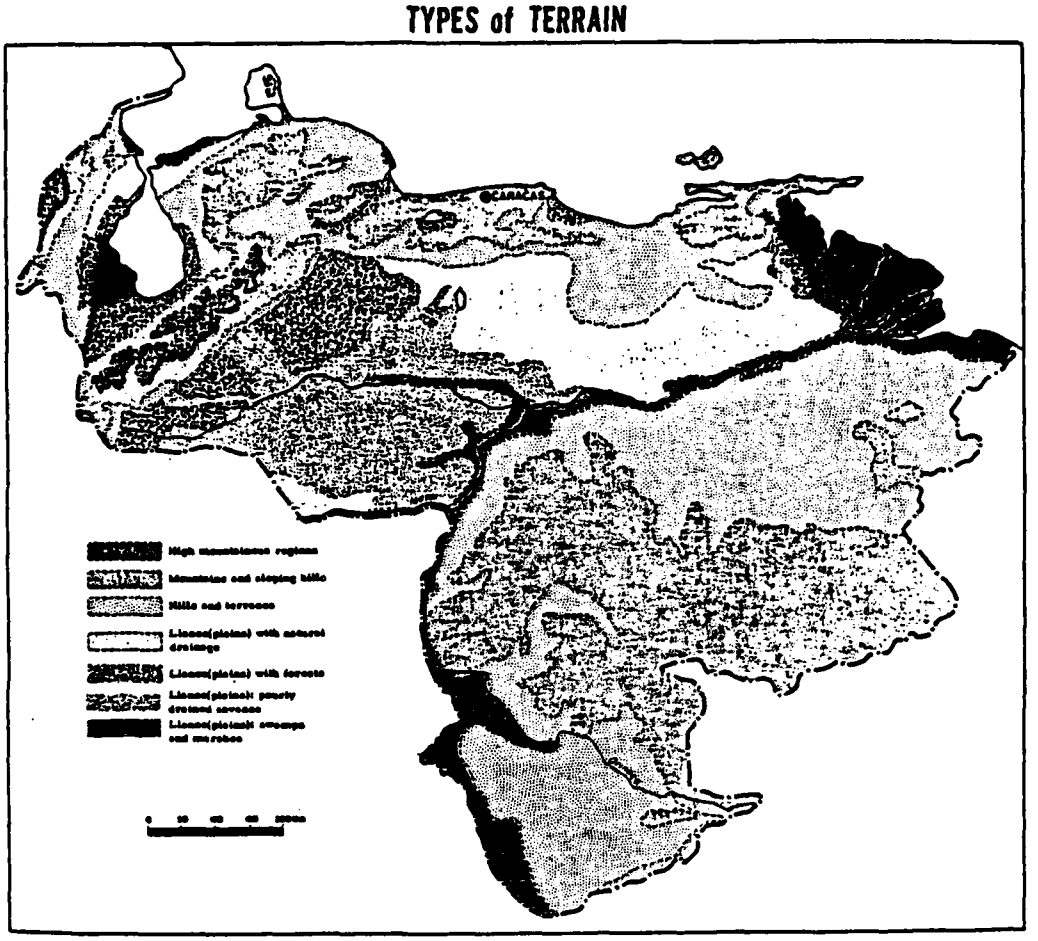

Figure 3. Venezuela Types of Terrain (20:440)

The 1983 census indicates the population of Venezuela is estimated at 18,427,000 with the following features (19:748): (1) an average annual growth rate of 2.8 percent and a total population composite of 67 percent mestizo (mixed black-white, black-indian, white-indian); 21 percent white; 10 percent black; and two percent indian; (2) a religion predominantly Roman Catholic, 94 percent of the population, leaving six percent of the population to other denominations; and (3) a literacy rate of 77 percent.

The national language is Spanish, although several indian tribes living in isolated and remote parts of the country today continue speaking their own native language (22:13).

Caracas became Venezuela's capital in 1576 and is the largest city today with over 3 million people. It is followed by other four major cities: Maracaibo with 792,000, Valencia with 463,000, Barquisimeto with 430,000, and Maracay with 255,135 (19:748; 22:17).

History

The history of Venezuela could be broken down into five distinct periods: pre-Spanish (before 1498), Spanish-Rule (1498-1830), Caudallism and Oligarchy (1830-1935), pre-Democracy (1935-1958), and Democracy (1958-present) (23:3-19).

Pre-Spanish Period (before 1498). Venezuela's history before the arrival of the Spaniards is obscure. There is a lack of source material needed to reconstruct the past. However, the archaeological knowledge of Indian history obtained from excavations and artifact examinations dating from 1932 allow us to work out a pre-Spanish historic chronology (22:13).

The Indians who first populated Venezuela arrived from north, south, east, and west and settled at different times and periods. These were a hunting, gathering, and fishing people who had none of the great cultural and economic inventions known to later societies. Thus, Venezuelan Indian culture and technology shows little contact with that of the Chibcha or of the Incas (22:13). The Arawak-speaking group was the first which knew about agriculture and farming as well as pottery-making. They came to Venezuela from the basin of the Orinoco and settled northwest of Maracaibo (22:14). This group has survived Spanish conquest and colonization as well as the trials of Venezuelan nationhood. Along the plains leading down to the union of the Meta, Apure, and Orinoco rivers were the Achagua, one of the most widely dispersed groups in Venezuela, and the Guahibo, the most primitive people of Venezuela. But the two largest Indian groups were the Timote, fine farmers settled in the

Andes, and the Carib to the east (22:14). The Caribs were thought for centuries by Spanish missionaires, soldiers, and historians to be cannibals. Numerous researchers, including a recent study by Karl H. Schwerin, denied such allegations stating that the Caribs were traders, feared as nearly invincible warriors, but they were not cannibals (24:20-33).

Spanish-Rule Period (1498-1830). Venezuela was discovered by Christopher Columbus during his third voyage to the new world in 1498 (25:2). He was intrigued by pearl ornaments worn by the coastal Indians, and his descriptive reports enticed further Spanish explorations. Subsequent explorers included Alfonso de Ojeda who sailed into lake Maracaibo in 1499; Bartholome de las Casas who tried to civilize the local Indians between 1518 and 1520; and German explorers who came from 1528 to 1546 as a result of the rights to develop the western region given to the German Banking House of Welzers by King Charles V of Spain to satisfy a debt (25:2-3).

Since Venezuela was not blessed with gold or silver as Peru and Mexico were, Spain tended to ignore the colony. However, to maintain control, trade with other countries was forbidden and resulted in the colony's isolation for most of its early existence. News of the new world's wealth, however, attracted other European nations. Privateers and

smugglers roamed the Caribbean Sea from the mid 16th Century to the mid 18th Century pillaging and massacring colonial cities at will (25:3).

A significant event took place in 1728 when Spain tried to regain its absolute authority over the Venezuelan colony. Wanting to monopolize trade, Spain created the Caracas Company. Under the company agriculture was developed, exports increased, and schools were opened. Foreign trade was curtailed and the company made huge profits at the expense of the low paid Venezuelans. Due to this exploitation, combined with the company's inability to satisfy demands for imported goods, and the disregard for local government policies, dissatisfaction with the company became strong and there was an open revolt resulting on its closing in 1784 (25:4). Armed uprising continued following the demise of the Caracas Company and with Francisco the Miranda in the lead, the open revolt against Spanish authority began in 1806 (25:4). Vicente Emparan, the royally appointed captain general of the province of Venezuela, was deposed in April 1810, and a government was established in June. On March 2, 1811, the first General Congress of the United Provinces of Venezuela convened and on July 5th declared the country's independence and the First Republic (26:11). Disunity was the keynote of subsequent events. Caracas had

become the country's nominal capital of political control in 1786 and it was in 1803 a papal bull established an archdiocese there for control of the other dioceses of the region (26:11). Consequently, during the three centuries of colonial experience, the other cities of the area had not looked upon Caracas for administrative leadership. The General Congress of the United Provinces of Venezuela, following a disastrous earthquake in March 1812, proclaimed Miranda dictator with the title of Generalissimo. The earthquake, believed to be an act of God directed at the new partriots and their revolutionary government, caused the weakening of the military which was quickly exploited by the Spanish General Monteverde. Generalissmo Miranda was defeated and arrested on July 25, 1812 and the Spanish authority was re-established (25:6).

Bolivar and other young patriots escaped to Columbia to regain military strength. In August 1813 Bolivar returned to Venezuela, defeated the Spanish, and established the Second Republic. This government only lasted to August 1814 when Monteverde, helped by troop reinforcements from Spain and by the Mestizos, defeated the revolutionaries and Bolivar was forced to leave the country (26:13). Bolivar did not give up. He returned to Venezuela in 1816 and again

in 1817. Finally, in 1819 he returned for two last years of fighting and defeated the Spanish in November, 1821 ending the Spanish rule in Venezuela (26:14).

Caudallism and Oligarchy (1830-1935). Bolivar's presidency from 1821 to 1830 marks the end of the colonization period and the beginning of the caudallism in Venezuela with the rise to power of Jose Antonio Paez, Venezuela's first caudillo president in 1830 (25:8). His first term expired in 1835 and he was succeeded by Jose Vargas who was highly regarded by important people in society but not so highly thought of by the generals and junior officers who forced him to resign. Paez was re-elected for another term from 1839 to 1843 (22:38-39).

Carlos Soublette, who finished out Vargas' term of office when Vargas was forced to resign, was elected president after Paez and his presidency governed from 1844 to 1848 (22:39). The Paez-Soublette era was generally liberal, prosperous, and progressive. The tax system was modernized, there was greater freedom for economic activity and trade, schools and roads were constructed, freedom of worship was established, and in 1845 Soublette renewed Spanish-Venezuela relations through a peace treaty signed by both nations (22:40). The Monagas family was next in the presidency starting the caudillo-oligarchy in Venezuela. Jose Tadeo

was the first president after President Soublette's regime, followed by his brother Jose Gregorio who, at the end of his regime in 1855, passed the presidency back to Jose Tadeo for his second term in office (22:42). The Monagas presidency made few changes and no improvements. Both brothers did little for Venezuela but a lot for themselves and their supporters. However, the administration of Jose Gregorio finally achieved the abolition of slavery in 1854. Despite the prestige gained by this event, the Monagas were forced out of office shortly after 1857 and remained in exile for a decade (22:43).

Following the Monagas departure, the civil war, War of Federation, began in Venezuela and lasted for five years (22:44). The war represented the fight between liberals and conservatives, centralists (rule of government of Caracas) and federalists (states rights). Paez returned to become dictator of Venezuela between 1861 and 1863 but too much corruption, brutality, indecision, and deception had come out of the war and he no longer could wield power. This drew his political career to an end (22:43-45). Disorder piled on disorder after Paez's departure. In 1868 the Monagas clan reappeared only lasting a few months in power due to the unexpected death of President Jose Tadeo Monagas in this same year (22:46). In 1870 Antonio Guzman Blanco,

whose father had founded the liberal party, emerged as a one-caudillo dictator and his rule lasted until 1888 (25:9). During his tenure, he destroyed the regional caudillo political opposition, stripped the Catholic church of its wealth and influence, established free education for all, built railroads and roads, reorganized public administration, improved the economic structure, and initiated a massive public works program. Four other presidents followed Blanco for another decade of anarchy until 1899 when General Cipriano Castro gained control by force and became the first of the next four military dictators to emerge from the Andes region (22:9). Castro was with no doubt the worst of the dictators. He bankrupted the country and nearly led the nation into an armed confrontation with England, Germany, and Italy for refusal to honor the national debt to those countries. The tripartite group blockaded Venezuela in 1902 and only through United States intervention was the situation resolved (25:10). The power behind Castro was Juan Vicente Gomez, his chief lieutenant, who immediately stepped in and took over the presidency in 1908 when Castro had to step down due to his poor health. He maintained his dictatorship for the next twenty-seven years (25:10). Before his death in 1935, President Gomez completed full nationalization of Venezuelan politics by surpressing his

political opponents and filling key government positions with his relatives and influencial supporters. In 1913 oil was discovered in commercial quantities and Gomez granted oil prospecting rights to several foreign investors increasing his own and the national wealth (25:10).

Pre-Democracy Period (1935-1958). The government's and President Gomez's wealth did nothing to help the poor. Poverty remained chronic long after Gomez stepped out. Individuals who played his politics were generously rewarded and, if in the lower classes, they quickly climbed up the social scale. Gomez never did anything to eradicate poverty, illiteracy, malnutrition, slums, and immorality. By 1928 leftist agitation, student strikes, and other revolutionary efforts arose and continued in the next years (22:55). The student strike brought into the light two students who became the leaders of a new generation; Jovito Villalba and Romulo Betancourt.

Following Gomez's death in 1935, Eleazan Lopez Contreras became acting president (22:57). Contreras began to allow public expressions of violence and hostility toward the memory and pictures of Gomez. He abolished censorship, released political prisoners, and permitted exiles to return. In 1936 Contreras was elected president by congress. At the expiration of his term in 1941, his

minister of war, General Isaias Medina, was chosen the new president (22:58). On October 1945 an officers revolt overthrew President Medina who, during his presidency, had allowed free elections, granted freedom of speech and the press, and proposed agrarian reforms and land redistributions which became the accepted platform in Venezuela among reforming parties (22:59). Betancourt, founder of the Democratic Action Party (AD), became head of the provisional government following the fall of President Medina. The conservative Social Christian Party (COPEI) lacked strength to oppose the established AD and Romula Gallegos was elected president in December 1947 in the country's first free, universal, popular election (25:13).

President Gallegos' term only lasted nine months. A bloodless coup caused by his refusal to give cabinet positions to the military who helped his election, the integration of COPEI into a coalition government, and the requested exile of Betancourt, put an end to his presidency (25:13).

Colonel Carlos Delgado Chalbaud headed the first provisional military government from November 1948 until his assassination in November 1950 (26:35). After his assassination, Colonel Perez Jimenez who had planned the coup to overthrough President Gallego brought Venezuela once again under a dictatorship for eight years (21:15). Jimenez's

corrupt government raped the economy while ignoring economic and social needs. This caused the armed forces and business and church leaders to revolt and Jimenez fled into exile. A democratic election was held in December 1958 and Betancourt was elected president by a democratic process and was the first president to be democratically elected to serve a full five-year term (25:14).

Democracy Period (1958-Present). The Pact of Punto Fijo in 1958 was signed by three dominant political parties (AD, COPEI, and the Democratic Republican Union (URD)) which agreed to a coalition government of national unity in order to equally share government power. The coalition was to remain intact regardless of the outcome of the upcoming December elections. Each party was permitted to run its candidate. The AD won and Betancourt's government was formed with members from COPEI and URD, but excluding communists (PCV) (21:16). President Betancourt faced Cuban sponsored leftist guerrilla operations, assassination attempts, and economic problems, but he considerably reduced corruption and directed oil profits into agriculture and education programs. In 1960 the Venezuela Petroleum Corporation was established to monitor and supervise the oil industry and Venezuela took the lead in the formation of the Organization of Petroleum Exporting Countries (OPEC) (25:15).

In 1964 Raul Leoni won the presidency with the first peaceful transfer of government in the nation's history (25:16). Leoni's government was formed by AD and National Democratic Front (FND) members ignoring COPEI which had remained in opposition throughout the Leoni years but content to play established rules (Pact of Punt Fijo 1958) until new elections were held. This aided the transition from one party elite to another and also demonstrated for the masses how parties could compete while remaining peaceable (23:29).

Shortly after President Caldera was elected president 1969, the outgoing President Leoni wrote to Ramon Florencio Gomez, Defense Minister:

> "My gratitude to your department whose forces protected the right to vote of all citizens who without reservation came to vote and in this manner, for the third time since 1958, the election of the president for 1969 to 1974 followed the constitutional principles of being only on people where the power lays to choose their presidents" [27:IX].

Leoni initiated a variety of economic programs and in 1967 Venezuela joined the Latin American Free Trade Association committing itself to international economic integration (25:16).

Rafael Caldera's inauguration took place in March 1969 and represented the first peaceful transfer of government to a president of another party, COPEI (23:35). Caldera's government ended the pattern of formal government coalitions. The unwillingness to share executive power led to some difficulties. Student demonstrations occurred throughout 1969 and 1970. Partisian rhetoric in congress hardened into intransigence. COPEI was forced to negotiate a partisan alliance with AD to be able to conduct government business between the executive and the opposition in the legislature until the 1973 elections (27:36).

The 1973 elections again returned the AD to power through the election of Carlos Andres Perez as the president until 1978 (27:36-37). President Perez used the country's vast petroleum revenues to initiate a program of industrial expansion and in 1976 the petroleum industry was nationalized and Venezuela became a third world leader (25:17). The elections of 1978, according to Penniman in his book, Venezuela at the Polls: The National Elections of 1978, were the most expensive in the democratic world - 180 million to 200 million in U.S. dollars (28:XII). During the 1978 elections the victory of Luis Herrera Campins of COPEI, marked the third successive election in which the opposition had defeated the candidate of the party in power (28:1).

Tables I and II show the Venezuelan Electorate Age, 1973 and 1978, and the AD and COPEI vote in the national elections from 1958 to 1978. Venezuela under Herrera Campins pushed to develop new heavy oil deposits in the Orinoco region which are thought capable of producing 500-billion barrels. However, declining world oil demand and consequent diminished export revenues forced the government to cut its budget by 10 percent in 1982 (19:747). President Campins also promoted the diversification of the economy, especially its industrial base, in order to reduce Venezuela's dependence on oil revenues. Also, under his presidency, the government assumed the role of protector for the southern caribbean region and initiated a program of military development (19:748).

In December 1983 new elections were held and Jaime Lusinchi was elected the new and today's president of Venezuela (29).

Government

Venezuela is a Federal Republic and one of the most stable democracies in Latin America. Since 1958 to the present, Venezuela has had six democratic elections and six presidents. Jaime Lusinchi, AD's candidate, is the current president elected in December 1983 to a term which expires in 1988 (29).

TABLE I

AGE OF THE VENEZUELAN ELECTORATE 1973 AND 1978
(28:58)
(in percentages)

AGE GROUP	1973	1978
17-24	25	28
25-34	25	27
35-44	20	17
45-54	14	13
55-64	9	8
65+	6	6
TOTAL	100	100

NOTE: Columns do not add to totals because of rounding.

SOURCE: Venezuela at the Polls: The National Elections of 1978, published by Howard R. Penniman. American Enterprise Institute for Public Policy Research. Washington DC, 1980.

TABLE II

AD AND COPEI VOTE, NATIONAL ELECTIONS 1958-1978
(28:201)
(in percentages)

Presidential Elections

Year	AD	COPEI	AD and COPEI
1958	49.18	15.17	64.35
1963	32.82	20.12	52.94
1968	28.24	29.13	57.37
1973	46.54	33.77	80.31
1978	43.34	45.24	88.58

Legislative Elections

Year	AD	COPEI	AD and COPEI
1958	49.45	26.75	76.20
1963	32.73	20.81	53.54
1968	25.52	24.01	49.53
1973	42.76	29.10	71.86
1978	39.70	39.72	79.42

SOURCE: Venezuela at the Polls: The National Elections of 1978, published by Howard R. Penniman. American Enterprise Institute for Public Policy Research. Washington DC, 1980.

In 1961, Venezuela's revised constitution was adopted and is the current constitution of the nation today (23:44). The 1961 constitution is similar to its predecessors, guarantees freedom of religion, speech, and assembly. It assigns substantial responsibility to the federal government for economic development. Also, the Federal Republic of Venezuela is made up of twenty states, one federal district containing Caracas, two federal territories, and seventy-two federal dependencies (30:184-185).

The 1961 constitution recognizes three separate branches of government: the executive, the legislative, and the judicial. The executive branch, the President of Venezuela and his cabinet, is given extensive powers under the constitution to include: authority to appoint his cabinet without congressional approval; authority to appoint governors to declare a state of emergency; and authority to restrict or suspend constitution rights during a state of emergency. It also gives the president the power of appointment at all levels. Therefore, despite the separation of the executive, legislative, and judicial branches, this gives the president absolute internal control throughout the government and bureaucracy. In addition, the

President directs international affairs to include treaty and international agreement ratification and maintains complete control of the military (25:15-16).

The president is to be elected by secret ballot every five years. No incumbent is eligible for re-election during the ten years following completion of his term. He is assisted by a council of 13 to 15 ministers who serve at his pleasure unless ousted by a vote of censure by a majority in the Chamber of Deputies. The president is also aided by the procurador general (attorney general) and his national planning office CORDIPLAN (long-range planning to set priorities and allocate resources) (23:28).

Historically, the Venezuelan Congress has not enjoyed significant autonomy from the executive. The 1961 constitution fashioned the current congressional structures and powers in the hope of containing executive excesses and of maintaining a pluralistic political environment. Although the Venezuelan congressional structures and functions look like those of the United States there are differences. The law provides for proportional representation of parties and because of the strength of party controls over the candidate selection process, congress has not been able to build effective internal structures of integration. Lacking strong, well-staffed standing committees, neither the

Chamber of Deputies nor the Chamber of Senators have been able to act as an effective policy-making body. Rather, congress has acted essentially as a vetoing agency (23:37-40). An independent judiciary branch of the Venezuelan government has failed to emerge and has been limited by the fact that Venezuelan law has always been in code-law form borrowed from French and Spanish and does not allow the judges the leeway to make law from precedents. Also, judges are elected by congress sitting as a body which gives great power over the court to major parties in congress (23:42). The constitution provides for the Supreme Court to transact its business by organizing into three panels (salas) each concerned with a different fact of law; the politico - administrative, criminal, and civil law panels. Each panel is composed of no less than five members who serve a nine-year term. The court meets as a body only when it decides constitutional issues (23:43). In the post dictatorial era, the Supreme Court's major function to date has been to rationalize the application of the code law in the various geographical regions of Venezuela even though it has constitutional authority to rule on the constitutionality of congressional acts and executive decrees (23:43).

Education

Since 1958 the government has focused on the improvement of Venezuela's educational system. In 1958, the adult literarcy rate was 63 percent (20:320). Today the adult literacy rate is 77 percent (29:720).

The system provides a primary education of six years for children between the ages of seven and fourteen, which is the compulsory school age defined by law (20:322). An intermediate education in two stages -- four-year and one-year. The four-year program resembles a high school program in the United States. The one-year program offers pre-university training. In addition, those not desiring an academic intermediate education can attend the many vocational, commercial, trade, and industrial schools dispersed throughout the nation (31:243). Finally, the system also offers higher education through seven state universities and two privately owned universities (4:67; 20:350).

Economy

Although Venezuela has the highest per capita income in Latin America (about $3,900 in 1983) largely because of oil exports, during 1983 she suffered economic difficulties. The per capita income fell and the bolivar devaluated from 4.29 bolivares to one U.S. dollar in 1982 to 10.69 bolivares to one U.S. dollar in 1984. (29:719).

Venezuela's economy is based on oil, iron-ore, and agricultural production but Venezuela is almost completely dependent on its oil exports for foreign currency. In 1980, 95 percent of the $18.4 billion in export revenue was generated from oil sales, as was 72 percent of all national tax revenues (32:2). But the world demand for oil dropped and Venezuela cut production from 2.3 million barrels per day to 1.8 million reducing the national income and causing in 1981 the first country's foreign trade deficit in 50 years (32:2).

Agriculture employs about 18.5 percent of the labor force with only about 5 percent of arable land in use. Three quarters of that is devoted to pasture (25:20). The 1960 Agrarian Reform Law failed to reduce the farmers' massive urban migration looking for higher paying jobs (30:170-172). Today, agriculture exports, mainly coffee and cacao, represent a 3.2 percent of total national exports followed by iron-ore production which represents only 1.8 percent (1:1).

Venezuela's economy faces serious problems in the future. Unable to produce as much revenue from oil due to reduced world demand, Venezuela's industrial diversification project has enjoyed high government priority. The country is planning to spend 12 billion dollars in the next ten

years on the steel, electricity, aluminum, and petrochemicals industries. This can all be in jeopardy due to reduced revenue (33:72-73). Another problem facing Venezuela's economy is the personal income distribution. The lowest 20 percent of the income groups receive only about 3 percent of the total income whereas the high income 10 percent derive 40 percent of the benefit from the economy (34:213). Finally, the government must find the way to generate sufficient employment opportunities for the labor force. The unemployment rate in 1981 was 8% and increasing by an annual rate of about 4.3 percent (18:114).

Foreign Relations

Venezuela, in the course of the last two decades, has emerged as an independent and assertive actor in international politics as well as in international trade (34:1). Venezuela, one of the largest producers of oil, is known for its active role as a member of OPEC. In addition, Venezuela has carried out a tradition of assisting democratic movements throughout Latin America and fostering good relations with Central American neighbors by providing them with oil at discount prices and by participating in numerous multilateral treaties for the fostering of peace and prosperity in the continent (19:747).

The country has signed several bilateral treaties with the United States and other arms-producing countries including Germany, the United Kingdom, France, Italy, and others in order to secure her arms imports (35:2). But, Venezuela's relations with the U.S. have been polite yet distant especially as the result of U.S. restrictions on Venezuelan oil imports, U.S. arms-exports to South America, and most recenlty the U.S. role in the Falklands conflict (34:2-4; 32:1).

Although still essentially anticommunist in foreign policy, Venezuela is more tolerant of Marxist reqimes. Rapprochement is being sought with Cuba, a long time adversary, with the Sandanista government in Nicaragua, and with the Soviet Union (19:29; 32:1).

Defense

The president retains responsibility for the armed services as Commander-in-Chief. He exercises his authority through the Minister of Defense. The president is advised by a council called the Supreme Council of National Defense. It consists of the Council of Ministers, the Chief of the Joint Staff, the service commanders, and other specialists (19:749).

The Minister of Defense is responsible for the four independent services composing Venezuela's armed forces: the Army, Navy, Air Force, and National Guard. The total manpower in 1983 was about 57,000 divided as follows: the Army 28,000, Navy 9,000, Air Force 10,000, and National Guard about 10,000 (1:1-2). Venezuela has military conscription with a service period of 18 months (35:114). In 1981 and 1982 the defense budgets amounted to $906.931 millions and $1.142 billions respectively (35:114). Table III shows Venezuela's 1980, 1981, and 1982 GNP, the military budget, and the national budget.

Venezuelan military leaders view themselves as the ultimate guardians of their nation's constitution and heritage having the duty to act, where they view the actions of certain politicians as unconstitutional (18:168). Between 1930 and 1971 Venezuela had four successful military coups, two being after 1950 (18:166). No successful coups have occurred since the democratic elections of 1958.

TABLE III

VENEZUELA'S GROSS NATIONAL PRODUCT,
MILITARY BUDGET AND NATIONAL BUDGET 1980-1982
(35:114)
(Figures in U.S. million (m) & billion (bn) dollars)

	1980	1981	1982
Gross National Product	60.4bn	67.604bn	69.489bn
Military Budget	86.3m	950m	1.2bn
National Budget	12.8bn	17.3bn	20bn

SOURCE: The Military Balance 1983-1984. The International Institute for Stragetic Studies. London, Autumn 1983.

III. Venezuela's Current Internal and External Threats and Her Air Force Strength and Readiness

Venezuela's future economy, democracy, and Caribbean leading role depend on her ability to maintain national stability and international prestige. Furthermore, in a world of economic instability and communist threat, Venezuela's future lies on her ability to identify the nation's internal and external threats and maintain an appropriate military strength capable to overcome them. This chapter studies the current internal and external threats to Venezuela; her Air Force (its present structure, strength, and readiness); and the U.S. Security Assistance Program (MAP and FMS).

Current Internal Threat

Venezuela, a country under civilian government for nine years of its 132 year history of independence, became a democracy in 1958. Seven presidents have been elected since then (22:3). Wracked for centuries by violence, revolution, and dictatorship, Venezuela has emerged as a successful and the richest functioning democracy in Latin America. However, due to times of economic difficulties, the country's inability to reduce the extremes of poverty and wealth, the communist inspired agitation, and the internal military threat, Venezuela is facing problems (22:3; 33:29-30; 3:113-114).

Economic Difficulties. The petroleum industry is the cornerstone of the Venezuelan economy. The economy's dependence on oil, which generates about 25% of the Gross Domestic Product (GDP), 75% of the government's revenues, and 95% of export earnings, has dictated its performance (36:44). The glut in world oil supplies, OPEC's limitation on Venezuelan production quotas, and the recent rollback in oil prices have reduced Venezuelan oil income, and the government, committed to a high level of expenditures, borrowed from foreign sources to carry out its commitments. The total debt in 1983 climbed to over 30 billion dollars (37:5). Increased expenditures fueled inflation. Venezuela, traditionally a low inflation country with inflation averaging less than 3% up to 1973, saw inflation reaching 20% by 1980 and 25% by 1984 (3:116-118). Extended bouts of high inflation are extremely corrosive of social loyalties. The decline of savings, the need to scramble for continuous readjustments, and the general future uncertainty which inflation brings, often lead to intensified political conflict. In a system such as Venezuela's, which depends politically on the trade off between diverse interests in an expanding economy, a transition from abudance to constant scramble for readjustment would lead to dramatic escalations

in social tension. Accelerated inflation was the major factor in middle class alienation and sharpened conflict preceding recent military coups in Brazil and Chile, and the analogy to Venezuela is not difficult to make (33:29-30).

But inflation is not the nation's only problem. Unemployment rose from 7.2% in 1982 to 13% by 1984. The bolivar exchange rate went from 4.29 to one U.S. dollar in 1982 to 10.69 to one U.S. dollar in 1984 (29:719; 3:120). The interest rates also rose from 12% in 1981 to 20% in 1984 causing businesses to close, thereby increasing unemployment (3:121). In addition, the inequitable income distribution, 3% of the income is received by the bottom 20% of Venezuela's population, and 54% of the income is received by the top 20%, added to the seriousness of the problem which is today an increasing threat to social harmony (3:121; 38:12).

Castro-Communist Inspired Agitation. Venezuela's establishment of a democratic regime resulted in all political parties maneuvering for increased influence in the elections. Following the 1958 elections with the Accion Democratica party candidate's triumph, leftist elements in the major cities mounted a poorly-coordinated campaign against the government which culminated in October and November of 1960 with Partido Comunista Venezolano (PCV) and the Castroite organization, Movimiento Izquierda

Revolucionario (MIR), calling for a general strike of insurrection (39:7). By 1962 the communists had formed a front organization, Fuerzas Armadas de Liberacion Nacional (FALN), which included the Union Republicana Democratica (URD), some right-wing activists, and renegade military and criminal types with their own private objectives (39:10). Unable to bring down the Betancourt government despite a sustained campaign of urban and urban-rural terrorism, the Castro-communist insurgency focused on disrupting the 1963 elections. The attempt to wreck the elections led to a stunning insurgent defeat where millions of Venezuelans braved terrorists threats and went to the polls (40:IV). Bombing, robberies, kidnappings, strikes, riots, and oil sabotage continued up to 1966 when, finally, the Minister of Defense announced the guerrilla movement had been destroyed and only a few men were still at large (41:L37). However, sporadic terrorist actions in cities and rural areas continued to occur with credit claimed by FALN. In 1969 FALN consisted of a force between 200 and 300 men grouped in three main bands (41:L37).

Table IV shows 1958 to 1966 Castro-communist insurgency chronology of incidents by type in Venezuela.

TABLE IV

VENEZUELA'S CASTRO-COMMUNIST INSURGENCY CHRONOLOGY OF INCIDENTS BY TYPE 1948-1966
(42:J3-J20)

YEAR	TYPE					
	I	II	III	IV	V	VI
1958	1		4		3	26
1959		2		1	1	10
1960	1	16	2	3	9	30
1961	27	16	3	3	2	16
1962	11	19	2	2	2	11
1963	56	20		5		12
1964		•		7		3
1965	22	12		19	5	19
1966	19	1				

NOTE: I - Raid
II - Terrorist
III - Coup-Revolt
IV - Student Violence
V - Assassination
VI - Unclassified

SOURCE: Research on Urban Disequilibrium in Venezuela. Prepared for the Office of the Secretary of Defense by Associates for International Research, Inc.. Cambridge MA, 1967.

Guerrilla activity continues in the present although it has not represented a major problem. In 1983 a border post was attacked and there were several widely publicized kidnappings in western border areas (29:715). Also in 1983, six security force members and twelve guerrillas were killed in the conduct of the government's anti-guerrilla operations and sporadic bank robberies, attacks on police, and oil field sabotage were reported (29:715).

Internal Military Threat. The military ruled Venezuela for 123 of her 132 years of independence. Following the 1958 establishment of a democratic regime, two marine garrisons with 1,100 insurgents were involved in the mid-1960's Castro-communist insurgency against democracy (22:3; 40:34-35). Despite this military intervention, the Venezuelan military knows that golpista (coup) attitudes of the past are no longer relevant either to the country's needs or to the best interests of the military institution (43:66). In 1968 the Minister of Defense said: "I can offer assurances today that the Armed Forces are an institution aware of its non-political and non-deliberative character, subject to the national constitution and the laws regulating its functions. We, the ranking men of the professional cadres of the Venezuelan military organization, do not seek now to change the national course by our will, but

are fully devoted to improving our technical knowledge, concerned with serving the country, and responsible for fulfilling our inescapable duty as soldiers within the specific orbit of this mission" [41:L34]. In any event, the amelioration of economic problems in the country due to large oil revenues, and the well-being of the military in terms of pay benefits, seem to have prevented the development of a consensus which would support a military political intervention (41:L34). But, the threat is still there and the old generation officers continue to consider military rebellion as a possible solution. This is documented by the Amnesty International's 1983 report which states that in 1982 over 80 political prisoners faced charges of military rebellion in military courts (29:717).

Current External Threat

Venezuela's foreign policy in recent years has been vigorous, pragmatic, and idealistic, specially focusing on the preservation of the democratic regime. It has condemned communism and the spread of Cuban influence in the region. It has stressed the consolidation of the national land, air, and maritime boundaries, where possible, in favor of Venezuela. It has also focused on the continuation of the country's role as oil leader in international markets and as

the nation-leader and peace keeper in the Caribbean region (44:2, 42; 32:1). But Venezuela has been unable to achieve all these objectives mainly because external forces (threats) are interfering with the nation's ability to meet these objectives. This section will discuss the external forces (threats) endangering the attainment of Venezuela's foreign policy objectives. Specifically, this section will discuss the communism threat of the Soviet Union and Cuba, and Venezuela's current border controversies.

Communist Threat-The Soviet Union. The significance of Latin America in Soviet strategy has increased measurably in recent years, and the Soviet Union has encouraged, directed, and planted leftist groups in countries where Moscow sees a potential for bringing revolutionary regimes to power (45:87). Soviet efforts received a major boost from the July 1979 Sandonista victory in Nicaragua and, with that country's help, Moscow shifted the focus to El Salvador and plans were laid for similar outbreaks of communist-led revolts in Guatemala, Honduras, Costa Rica, and Grenada (45:88). But, the Soviet Union has avoided visibility and has protected herself from possible negative repercussions by using Cuba as the instrument to execute

Soviet strategy in the region. Cuba also serves as a Soviet Union base for cadre training and weapons transhipments to regional subersive insurgent groups (45:88).

In Venezuela, guerrilla activities began in 1958 and have continued to the present (29:715). But the success of Venezuela's democratic government has defeated the Soviet Union's intent to draw Venezuela under her aegis. It is unlikely this will occur in the next few years despite the widespread criticism of the United States in Venezuela (46:60).

The Soviet Union's foreign policy aimed at influencing the decisions of governments, discrediting and undermining confidence in leaders and institutions, and disrupting relations among countries has been successful in Venezuela in two areas (45:86): (1) Weakening the United States power and prestige in the country; (2) the Soviet Union's masked involvement in Venezuela's guerrillas ensuring her friendly feelings toward Venezuela appear to be genuine. Meanwhile, Moscow's influence continues expanding in Latin America. An extensive effort to increase air capability, (building airfields in Nicaragua and increasing reconnaissance flights from Cuba), and naval capability, (increasing Soviet naval presence in the Caribbean Basin), is on the way (47:1). Economic and military aid to Nicaragua, Peru, and Cuba has

escalated to alarming numbers; 4,700 Soviet military members, 3,000 of whom are in Cuba, and about two billion dollars in military sales agreements including about one billion to Cuba (45:88-91).

The Soviet long-term goal toward Latin America has remained consistent with the philosophy of attaining preeminent influence in this strategically located and oil-rich area. Now, more than ever, it is clear that Central America and the Caribbean are the target of a concentrated Soviet-inspired penetration effort (45:11).

Communist Threat-Cuba. The Soviet Union has used Cuba as the instrument to execute Soviet strategy in Latin America by providing her with economic and military aid amounting to over $3.5 billion and over $.5 billion respectively in 1982 (45:88-89). The Soviet expansion and upgrading of Cuban Armed Forces began in 1975 and Cuba has received Soviet Mig-23's fighter aircraft, OSA class patrol boats, submarines, hydrofoils, transport planes, and a KONI class frigate. Cuba has today a larger military force than any Latin American country except for Brazil, and the best equipped (48:40). Cuba is considered one of the world's most completely militarized countries, with the degree of popular involvement in defense and internal security rivaling even that of Israel (49:1066). The weapons now in

Cuba's inventory allow Castro to project power far beyond Cuba's shores and cover much of the Caribbean. Using Nicaragua's bases, the Cuban Air Force could reach all of the Caribbean, Central America, and South America (48:40).

Cuban-Venezuelan relations in the last 26 years have been of sauer nature specially resulting from Castro's direct involvement in Venezuela's guerrilla insurgency from the late 1950's to the present (29:715). President Romulo Betancourt, the first democratic Venezuelan president to serve a full elected term in office, took a strong anti-communist and anti-Castro stand and on November 11, 1961 Venezuela broke diplomatic relations with Cuba (41:L35). Despite Venezuelan efforts to stop Cuba's involvement in the country's guerrilla groups, Cuba continued supporting Venezuela's communist party and the MIR resulting in President Betancourt making a request for help to the Organization of American States (OAS) at the Punta del Este meeting in 1961. In January 1962, the OAS found Cuba guilty of conspiring against the Venezuelan government and was expelled from the organization (41:L35). By 1963 Castro had added to the Venezuelan insurgent arsenal 81 automatic rifles; 31 submachine guns; 5 mortars M2; 20 bazookas M20, and 9 recoilless rifles MI8Al (40:111). In 1964 Venezuela's president Raul Leoni confirmed publicly that Cuba had sent

to Venezuela during that year numerous arms and over $1,000,000 U.S. dollars to aid the insurgents (9:VI-86). President Leoni accused Cuba of intervention and aggression and demanded a meeting of the OAS. The incident was investigated with the finding of Cuba guilty of these charges. In July 20, 1964, sactions were again imposed on Cuba primarily in the diplomatic and consular relations arena (41:L36). But the Cuban intervention did not stop. In May of 1967 Cuban military officers were captured in Venezuela, and at the request of president Leoni the OAS visited the country finding ample evidence supporting the accusations against Cubans (41:L37).

During 1969, FALN and MIR guerrilla activities increased. There were several ambushes against armed forces in Falcon, Apure, Lara, and Carabobo States, and terrorist activities aimed at the police in Caracas (6:31). Although the guerrilla activity has not been a major problem in Venezuela since the late 1960's, in 1983 border posts were attacked and several widely publicized kidnappings took place (29:715). Cuban's failure to overthrow the Venezuelan government caused Cuba's shift from open support of guerrilla insurgency attacks to a more pragmatic and cautious approach. The new approach involves greater coordination with the Soviet Union in the pursuit of common

international socialist goals and the upgrading of Cuba's legitimacy by seeking closer relations and more influence in the Caribbean area. Cuba currently maintains formal diplomatic relations with almost all Latin American countries: Argentina; the Bahamas; Borbados; Colombia; Guyana; Jamaica; Mexico; Panama; Peru; Trinidad and Tobago; Venezuela; Costa Rica; Haiti; Surinau; Ecuador; the Dominican Republican; Nicaragua; and others (50:5). Also, although not a member of the OAS, Cuba is an active member of SECA, the Mexican-Venezuelan sponsored Latin American Economic System designed to promote regional consensus on trade and development (50:9, 12).

But the idealistic Cuban revolutionary expansion goes even further. Today Cuba is found performing security and technical advisory roles in the immediate Caribbean area with 2,000 military personnel in 1983 and an unknown member of civilians (45:84). In addition, Cuba is conducting military, security, technical and other training in Cuba while she acts as the retreat and sanctuary for revolutionary leaders pursued by Latin American Governments (50:14; 45:88; 39:12).

Venezuela's Border Controversies. As mentioned earlier in this chapter, one objective of Venezuela's foreign policy is to consolidate the national land, air, and maritime

boundaries. Venezuela is currently involved in territorial and maritime border "controversies" of varying intensities and future significance with the following governments (44:15; 32:1; 51:17; 35:183-187; 29:716): Netherlands Antilles, Trinidad-Tobago, Brazil, Colombia, and Guyana. With the Netherlands Antilles the problems concern maritime delineations; with Trinidad-Tobago they include maritime delineations and also fishing right problems; with Brazil, the problem began in 1966 when Brazil created the Superintendencio do Desenvolvimento da Amazonia (SUDAM), an autonomous entity committed to develop the 1,300 mile Venezuela-Brazil border. The plan called for opening of military bases and the construction of a network of air-fields capable of handling jet aircraft. Forty-five were operable by 1973, and about 130 in the early 80's. In addition, the plan stressed the rapid colonization of the Brazilian frontier where, for example, Boa Vista's population increased from about 300 to over 80,000 in less than two decades. The long-term implications of the Brazilian military and civilian presence across the line from Venezuelan territory which is nearly uninhabited, has not gone unnoticed in Caracas. The government created its own commission for the development of Southern Venezuela. That

the two nations may ultimately seek cordial and collaborative ties, rather than conflict, is not inconceivable. The Venezuelan-Colombian border has continuously experienced incidents over illegal immigration. It has been reported that Venezuelan immigration authorities have killed some Colombians attempting to enter the more affluent country. Reports also indicate that Venezuelan authorities frequently hold undocumented Colombians "incommunicado" from 3 to 6 months without trial before they are deported. Tensions with Colombia also persist over the demarcation of the waters in the Gulf of Venezuela which both countries have claimed since the 1800s. The problem does not promise to go away because the oil exploration possibilities in that region have raised the stakes even higher. Tensions with neighboring Guyana have increased following the 1982 expiration of the Port of Spain Protocol signed in 1970. This accord froze Venezuelan claims on the Essequibo region of Guyana which accounts for 65 percent of this country. The area in dispute contains significant gold deposits and also has a great hydroelectric potential from the Mazaruni River. Venezuela will likely continue her claim seeking a peaceful solution to the dispute probably going to military action only as the last resort.

Venezuela's Air Force

The important role played by the Air Force and Navy in the ousting of President Perez Jimenez (1957) enabled all four military branches to be represented on the Junta Patriotica, where an interim government was being selected, and where the services were given administrative and budgetary autonomy under the supervision of the Ministry of Defense (41:L26). Venezuelan commissioned officers are graduates of the Air Force academy, except few professionals such as lawyers, physicians etc. who receive direct commissions from civilian life. Non-commissioned officers are generally promoted having fulfilled certain educational requirements. Military career progression education is a prerequisite for officers' promotion and several courses accomplish the requirement including courses completed at foreign schools (41:L30, L32).

Present Structure. Venezuela's President retains responsibility for the armed services as Commander-In-Chief. He exercises his authority through the Minister of Defense, traditionally a military man, but Congress also controls the armed forces through budgetary affairs, approval of military missions, and certain promotions. Also, the President is advised on military matters by the Supreme Council of National Defense, formed by the Council of Ministers, the

Chief of the Joint Staff, and the Commanders of each of the four military branches. Each of the four branches, Army, Navy, Air Force and National Guard, maintains a headquarters and a general staff enjoying great autonomy despite the existence of the joint staff structure (41:L30-31). Figure 4 shows Venezuela's Air Force structure.

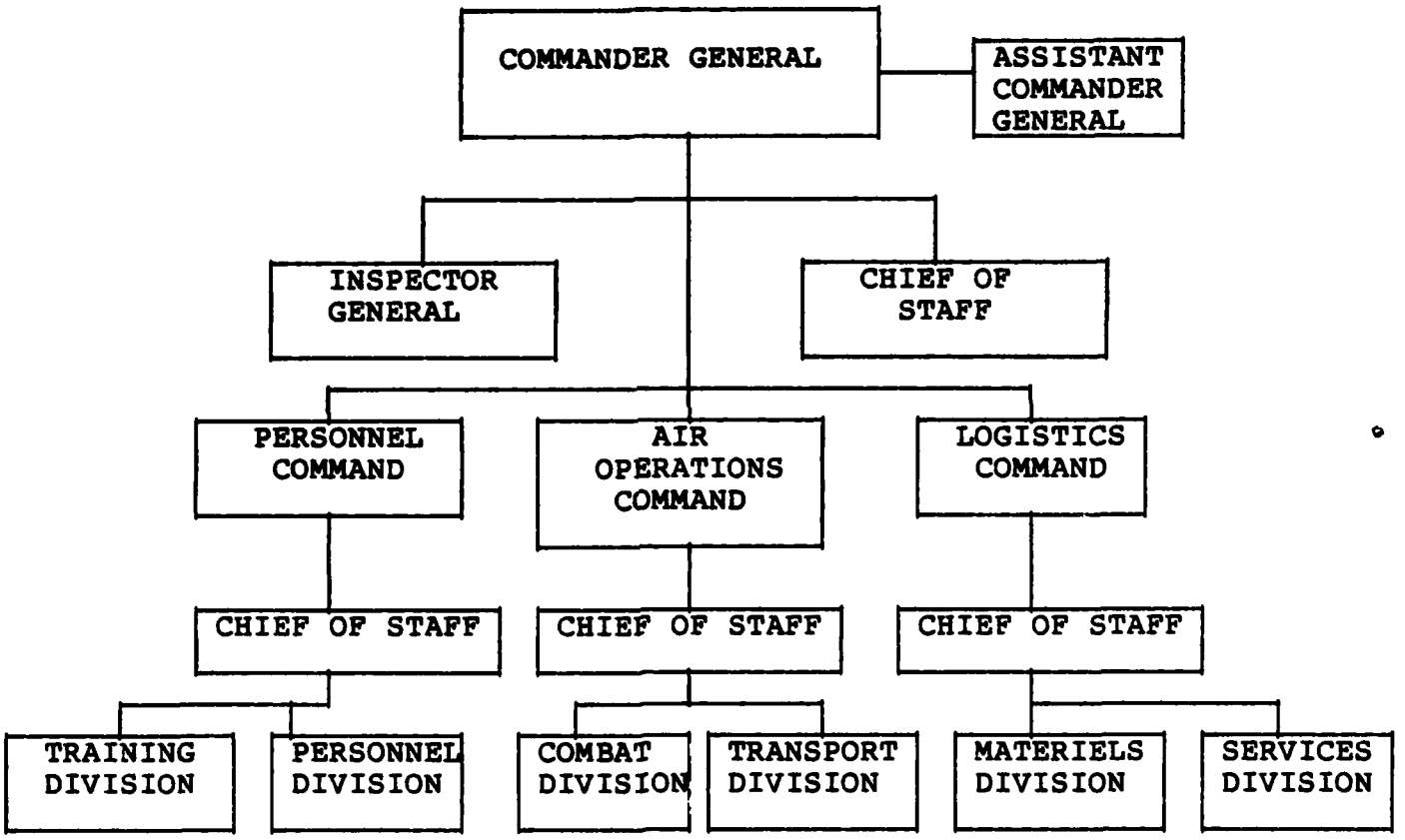

Figure 4. Venezuelan Air Force Structure (53:15)

Present Strength: Manpower and Weaponry. Venezuelan Air Force has a strength of 10,000 men (4,500 permanent and the rest being those serving 18-month mandatory military service) over 200 aircraft located at major air bases (Caracas, Maracay Maiguetia, Maturin, Maracaibo, Barcelona, Barquisimeto and Santo Domingo) (35:115; 53). Figure 5 presents a map of Venezuela with her Air Force's major base locations.

Venezuela's aircraft are grouped in the following manner (35:115; 52):

(1) Two light bomber reconnaissance squadrons with 20 Canberra aircraft (12 B-82, 5 B(I)-82, 1 PR-83, and 2 T-84).

(2) One fighter squadron with 12 Mirage (5 IIIEV, 5 5V, and 2 5DV).

(3) Two interceptor-fighter squadrons: One squadron with 14 CF-5A, 2 CF-5D; the other squadron with 10 Mirage IIIEV, 4 5V, and 2 5DV.

(4) One counter-insurgency squadron with 15 OV-10E Bronco.

(5) One Presidential transport squadron with 1 Boeing 737, 1 DC-9, 1 Gulfstream 2, 1 Cessna 500, and two Bell UH-1H helicopters.

(6) Two transport squadrons with 5 C-130H, 5 C-47, 7 C-123A, and 2 G-222.

(7) Two utility/liaison/reconnaissance squadrons: one with 3 King Air, 9 Queen Air, 8 Cessna 182N; and the other with 4 Bell 47G, and 13 Alouette III helicopters.

(8) One training squadron with 12 Jet Provost, 20 T-2D Buckeye (12 of these armed), and 23 T-34 Mentor.

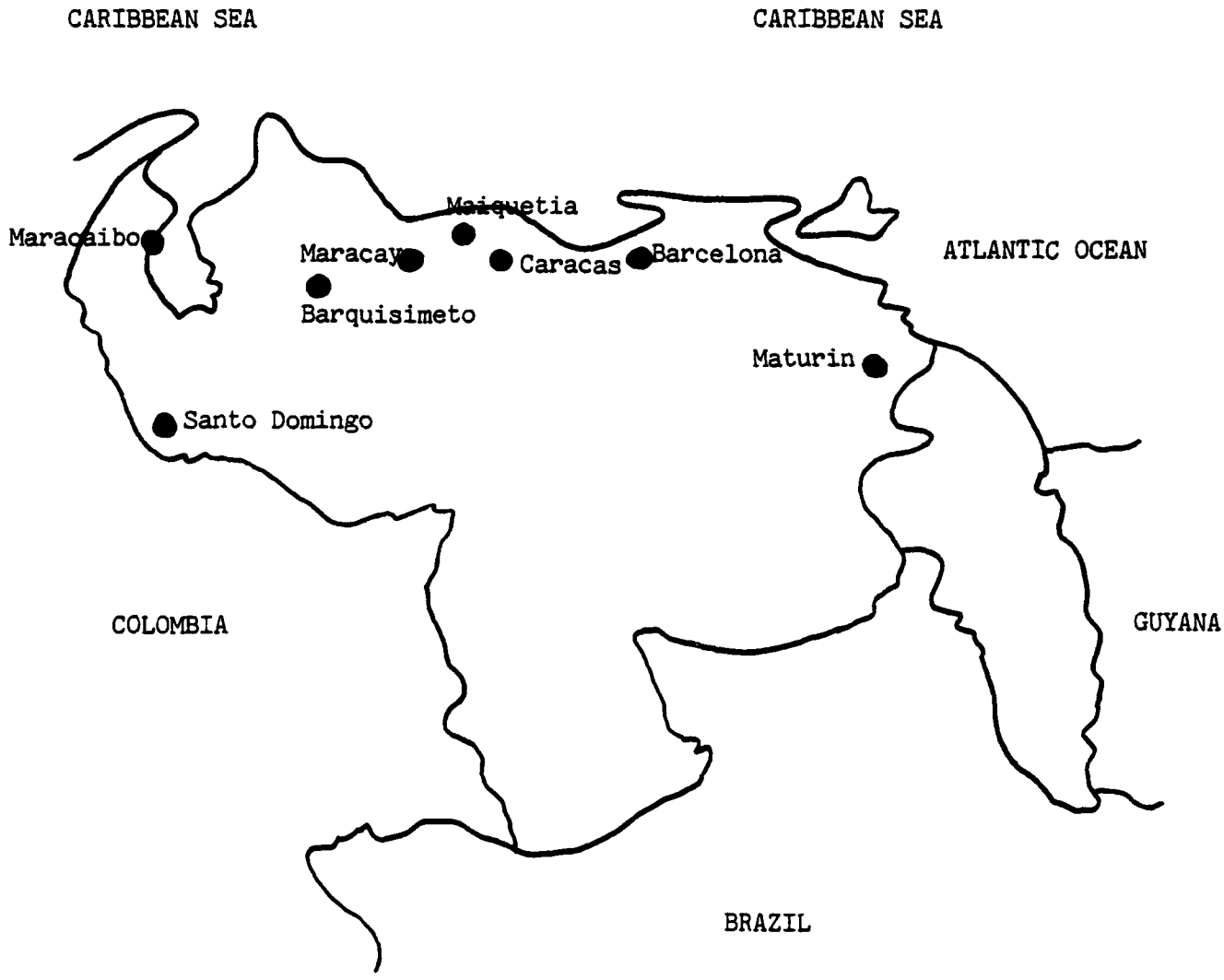

Figure 5. Venezuelan Air Force Major Base Locations (53:16)

In addition, 6 F-16 (4 F-16Bs, and 2 F-16As), air combat fighter, were delivered by U.S. to Venezuela October 1983 and are now operational.

Venezuela's Air Force Ordnance and electronics is composed of the following (54:9, 10; 52):

(1) 9,000 2.75 inch rocket motors MK45 MOD 3 and practice warheads.

(2) 7 radars AN/APQ-122 (V) 5 used in C-130s and 6 AN/APG-66 radars used in the F-16 aircraft recently delivered to Venezuela by the United States.

Venezuelan Air Force Readiness. Before the early 1950's Venezuela's weapons inventory was composed of war surplus and aged materiel. Among the first supplier-nations were Canada, Italy, and the United States normally transferring used and sometimes refitted military equipment from their armed forces inventories (55:16). In 1950, the Venezuelan Air Force was equipped with its first jet-aircraft, DH Vampire fighters and refurbished Canberra bombers and the government began to seek international suppliers to modernize the Air Force inventories (55:17). In 1955 the government's defense spending amounted to $105.3 million and by 1961 Venezuela had spent, in aggregated value since 1955, $10.3 billion (55:17). The Air Force received light transports; trainers; fighters; and some light aircraft through the United States Foreign Military Sales

Program, (a bilateral arms transfer agreement between United States and Venezuela has existed since 1950); Venom and Vampire combat aircraft, and Camberra light bombers and reconnaissance aircraft from Great Britain (56:2).

From 1962 to the present Venezuela has continued amicable foreign relations with the free industrialized world and, due to these relations, has gained continued access to foreign military technology through the import of weapons. Similarly, Venezuela has received technical assistance (military advisors and in-country and overseas training) to reorganize her Air Force's functional and tactical structure to adapt to the new techniques and technology accompanying the military hardware (55:17, 71).

Because of the existing international flow of weapons, Venezuela has been able to purchase types of armament which she is unable to produce. But, this diversification of sources creates a lack of standardization and therefore logistics and readiness constraints (57:94). The Venezuelan Air Force inventory consists primarily of weapons from dissimilar sources. These weapons may sometimes have similar purposes and design (for instance, fighters from France and Canada can both use the United States Sidewinder missile) (55:74). The question of diversification reaches major levels where the logistics factors are taken into

account. Managing thousands of spares, parts, and components with different specifications, manufacturers, etc., requires the existence of a very effective supply system. The logistics support issue is a constraining factor for many years after receiving the weapon system. The manufacturer of components for the weapon system may close production lines of those products which are vital to maintain the desired readiness level. To keep production lines open the manufacturer depends on orders from its own military service plus foreign orders. Since, the supplier's military phases out its models or designs usually faster than the foreign recipient, the manufacturer usually shuts down when economic operations are no longer practical. To reopen them can be an economic problem for the foreign recipient's budget (55:73-74).

Another problem concerning the Venezuelan Air Force readiness is the amount of obsolete materiel remaining in its inventory. The logistics constraints described above are more critical in this case and could raise the price of scarce or no longer produced spare parts to exorbitant prices (55:75).

The diversification of sources and the constraints that represents in maintaining a high level of readiness has motivated two kinds of military action planning: (1) to

prolong the life of the existing hardware with the available resources only, (2) to replace aging and obsolete materiel by medium price weapons of appropriate military value (55:60).

Venezuela's personnel development has been an important aspect of the logistic support of modern military equipment. The Venezuelan Air Force recognizes that to keep a major weapon system in operational condition absorbs a large quantity of skilled manpower. For this reason, personnel training has become part of the system being transferred. This training of Venezuelan military personnel takes place at foreign military schools, primarily U.S., at the plants of foreign suppliers, and also at home. Suppliers send technical expert teams to Venezuela to teach the recipient country the operation and maintenance of the delivered new weapon system (55:58-59). During the period 1950 to 1983 a total of 5,676 Venezuelan military students received training in U.S. military schools at a total cost of $13.945 million of which almost all was funded by the U.S. through the International Military Education and Training Program (7:79, 87, 93). Table V shows the U.S. dollar amount Venezuela received in training from the United States and the number of personnel trained from 1950 to 1983.

TABLE V

AMOUNTS OF VENEZUELA'S MILITARY TRAINING IN U.S. DOLLARS AND NUMBER OF PERSONNEL TRAINED 1950 to 1983 (7:86-87, 92-93)

YEAR	U.S. DOLLAR AMOUNT SPENT	NUMBER OF PERSONNEL TRAINED
FY 1950-1973	11,475,000	4,969
FY 1974	870,000	280
FY 1975	668,000	142
FY 1976	679,000	150
FY 1977	73,000	13
FY 1978	97,000	30
FY 1979	1,000	-
FY 1980	1,000	-
FY 1981	8,000	18
FY 1982	24,000	22
FY 1983	48,000	52
TOTAL FY 1950-1983	13,945,000	5,676

SOURCE: Foreign Military Sales, Foreign Construction Sales and Military Assistance facts as of 30 September 1983. Published by Data Management Division, Comptroller, DSAA. Washington DC, 1983

Reduction in United States grants to Venezuela in Education and Training Programs has resulted in fewer Venezuelan military personnel attending U.S. military schools. Nevertheless, since readiness and training are understood by Venezuela's military as inseparable, a number

of Venezuelan military students continue to receive post-graduate and professional military training at U.S. military schools. These training expenditures are being funded by Venezuela, through the U.S. Foreign Military Sales Program (55:81).

Venezuela's Air Force measures readiness using a system similar to that of the United States Air Force. Unit, wing, and command exercises are conducted for the assessment of the Air Force's readiness level. These exercises involve maintenance, operations, communications, logistics support, and other support activities. Their frequency ranges from day-to-day operations at unit level, to two exercises per year at wing level, and two additional exercises per year at command level (58). Despite the various problems caused by Venezuela's weapon acquisition from multiple sources, for example lack of standardization, the Venezuelan Air Force has been able to identify these problems and apply corrective measures. Training is now purchased with a new weapon system delivery, also, the increased availability of money from oil revenue has permited the purchase of a large number of spares. These measures have been effective; in 1974 the Venezuelan Air Force readiness was estimated at about 73%, today this rate has surpassed 75%. Venezuela's goal is to keep an Air Force readiness rating of between 75 and 80 percent (58).

The United States Security Assistance Program: Military Assistance Program (MAP) and Foreign Military Sales (FMS)

Venezuela, unable to produce the armaments she needs, has the financial resources to procure her weapons from the international market including the United States. In 1967 the U.S. government adopted a restrictionist arms sale policy which drastically reduced sophisticated weapon sales to Venezuela (59:7). This policy was believed to eventually slow down the rapidly expanding Venezuelan arms purchases which would compel the Venezuelan military establishments to search for alternative weapon systems of less sophisticated variety. In addition, this policy would direct Venezuela to focus her attention and efforts to socio-economic problems. This 1967 policy, Fullbright and Conte Amendments to the Foreign Assistance Act of 1961, was further stated by President Lyndon Johnson at the Punta del Este Conference (60:285; 9:72-73). The policy, rather than achieve the desired objectives, turned Venezuela to European sources and soured Venezuela - United States relations. The policy violates the 1947 Rio Pact and the Mutual Defense Treaties of the 1950's (60:Vii, 3). Venezuela continued to increase her defense expenditures as her gross domestic product (GDP) increased. In 1973 Venezuela had spent $618 million U.S.

dollars, by 1983 the defense expenditures increased to over $1 billion U.S. dollars (61:166). Table VI shows Venezuela's defense expenditures and her GDP for the last 10 years.

TABLE VI

VENEZUELA'S DEFENSE EXPENDITURES AND HER GROSS DOMESTIC PRODUCT (GDP) FROM 1973 to 1983
(61:166, 174; 62:618)

(Figures in U.S. millions (mn) and billions (bn) dollars at 1980 prices and 1980 exchange rates)

YEAR	DEFENSE EXPENDITURES	GROSS DOMESTIC PRODUCT	DEFENSE EXPENDITURES/ GROSS DOMESTIC PRODUCT PERCENTAGES
1973	618mn	36.353bn	1.70
1974	857mn	47.611bn	1.80
1975	965mn	45.952bn	2.10
1976	704mn	50.286bn	1.40
1977	825mn	51.563bn	1.60
1978	850mn	53.125bn	1.60
1979	848mn	60.571bn	1.40
1980	907mn	64.667bn	1.50
1981	912mn	57.000bn	1.60
1982	920mn	69.489bn	1.33
1983	1.1bn	55.917bn	1.96

SOURCE: (1) World Armaments and Disarmament. SIPRI Yearbook 1983. SIPRI Stockholm International Peace Research Institute. International Publications Service, Taylor & Francis Inc., New York 1983 and (2) World-wide Directory of Defense Authorities 1984. Lambert Publications, Inc.. Washington DC, 1984.

During the last decade, Venezuela has received no U.S. funds under the Military Assistance Program (MAP), the Foreign Military Sales (FMS) Financing Program, or Economic Support Fund (7:34-35, 60-61; 57:379; 63:1). All her purchases from the U.S. have been through Foreign Military Sales cash and/or commercial procedures; including the training referenced earlier. From 1950 to 1973, a 24-year period, Venezuela had Foreign Military Sales Agreements with the United States for new armaments; spares; components; tools; ammunition; materiel; and training amounting to $175.006 U.S. million dollars. From 1974 to 1983, a 10-year period, the amount increased to $762.388 million (7:6-7). Of these Foreign Military Sales Agreements, $119.909 million were delivered during the 23 year period, 1950-1973, and $180.016 million in the next ten years, 1974-1983 (7:14-15). Also, commercial exports licensed under the Arms Export Control Act amounted to $8.322 U.S. million dollars in the period 1950-1973, and increased to $80.011 million in the period 1974-1983 (7:42-43). Table VII shows Venezuela - United States Foreign Military Sales Agreements, actual deliveries, and commercial purchases licensed under the Arms Export Control Act from 1974 to the present. Table VIII shows Venezuela's defense expenditures and the U.S. military sales.

TABLE VII

AMOUNTS OF VENEZUELA - UNITED STATES FOREIGN MILITARY SALES AGREEMENTS, ACTUAL DELIVERIES, AND COMMERCIAL PURCHASES LICENSED UNDER THE ARMS EXPORT CONTROL ACT FROM 1974 TO 1983
(7:6-7, 14-15, 42-43)

(Amounts given in U.S. dollars in thousands at 1980 prices and 1980 exchange rates)

YEAR	FOREIGN MILITARY SALES AGREEMENTS	ACTUAL DELIVERIES	COMMERCIAL PURCHASES	ACTUAL DELIVERIES PLUS COMMERCIAL PURCHASES
1974	3,750	12,348	4,492	16,840
1975	47,022	34,765	7,595	42,360
1976	6,210	8,621	4,026	12,647
1977	1,975	43,566	7,949	51,515
1978	4,143	3,895	5,890	9,785
1979	1,884	4,776	8,718	13,494
1980	3,398	5,935	13,342	19,277
1981	71,881	13,809	8,000	21,809
1982	618,274	19,263	10,000	29,263
1983	3,851	33,037	10,000	43,037
TOTAL 1974-1983	$762,388	$180.015	$80,011	$260,027

NOTE: Not included in these figures are the actual delivery amount of six F-16 A/B which Venezuela received in October 1973.

SOURCE: Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance facts as of 30 September 1983. Published by Data Management Division, Comptroller, DSAA. Washington DC, 1983.

TABLE VIII

VENEZUELA'S DEFENSE EXPENDITURES 1974-1983, AND THE UNITED STATES ARMS SALES TO VENEZUELA DURING THIS PERIOD (7:14-15, 42-43; 61:166)

(Amounts given in U.S. million dollars at 1980 prices and 1980 exchange rates)

YEAR	DEFENSE BUDGET	ACTUAL DELIVERIES PLUS COMMERCIAL PURCHASES	PERCENT U.S. MILITARY SALES/ VENEZUELA'S DEFENSE BUDGET
1974	857	16.84	1.96
1975	965	42.36	4.39
1976	704	12.65	1.79
1977	825	51.51	6.24
1978	850	9.78	1.15
1979	848	13.49	1.59
1980	907	19.28	2.12
1981	912	21.80	2.37
1982	920	29.26	3.18
1983	1,100	43.03	3.91

SOURCE: (1) Table 7 Actual Deliveries plus Commercial Purchases figures, (2) World Armaments and Disarmament. SIPRI Yearbook 1983. SIPRI Stockholm International Peace Research Institute. International Publications Service, Taylor & Francis Inc.. New York NY, 1983.

Recent Venezuela arms purchase transactions include aircraft and electronics as follows (63:2-3):

Aircraft

1. Six Aeritalia G. 222 for the Air Force and two for the Navy. Aeritalia SPA, Naples, Italy was awarded $150 million contract in April 1983.

2. Two C-130 H-30 Hercules transports purchase was approved in May 1981. Lockheed will receive $27.83 million and licenses were also approved for the export of C-130H spare parts worth $7.1 million and flight and maintenance training worth $140,000.

3. 24 AN-APG-66 radars contract was awarded to Westinghouse - General Dynamics F-16 program-in June 1983 to support the Venezuelan F-16 buy. No figure available.

4. Supporting the F-16 buy, Venezuela has awarded three FMS contracts: (1) United Technologies was awarded in November of 1982 $6.7 million for the F100 engine support equipment; (b) General Dynamics was awarded in August 1982 a $50.9 million contract for services, maintenance, spares, data and support equipment; (c) also General Dynamics was awarded a contract in January 1983 for $3.3 million for two major blocks of training for 68 Venezuelan instructors and technicians.

5. One Gulfstream III aircraft. Gulfstream American Corporation was awarded a contract in February 1982 for the purchase of this aircraft for $14.1 million.

Electronics

A license was granted in May 1982 for the export to Venezuela of 22 RT-1168/ARC-164(V) transceivers with CA 218B vehicular ground adaptors for $385,500; 22 RT-1389/ARC-195(V) VHF transceivers with CA 2118B adaptors

for $439,800; 22 R-442/VRC VHF receivers for $95,200; 30 PXL-280 speech scramblers for $143,900 and in August 1982 another license was issued for 36 AN-GRC-171(V) 2 radios for $1.05 million. The delivery/arrival dates of this equipment to the Venezuelan Air Force inventory will be discussed in the next chapter.

IV. Venezuela's Internal and External Threat in the Late 1900s, and her Future Air Force Needs for Modernization and Build-Up

Venezuela's national and foreign policy objectives are to fight communism and to preserve her natural resources, her democratic government, her national peace and progress, and maintain her role of Latin American leadership. Reduction in the world's oil demand; Venezuela's social and economic problems; her border conflicts with Colombia, Guyana, and Brazil; and the increasing interest of the Soviet Union and Cuba in Latin America are present obstacles or threats endangering the achievement of Venezuela's objectives and are not expected to disappear in the near future. Therefore, the need exists for Venezuela to assess them, to evaluate her economic and military strength and strategies, and to come up with a plan which will enable the achievement of these objectives.

This chapter studies Venezuela's internal and external threats in the future, her Air Force build-up and modernization needs, and the sources available to Venezuela for the purchase of armaments. This chapter also studies the resources Venezuela has to pursue the purchase of the identified armament needs.

Internal Threat in the Future

From 1958 to the present Venezuela has successfully maintained her democratic government. However, the world's reduced demand for oil and the government's inability to reduce the extremes of poverty and wealth, despite the numerous programs designed to remedy these problems, have increased the citizens' discontent and decreased their faith in the democratic form of government. In addition, the latent internal military threat (historically, the military has shaped the destiny of the country through insurrections and coups), and the Soviet Union and Cuban unabated support of Venezuela's communist party, add to a considerable number of issues the government must solve in years to come.

The Economy. The glut in world oil supplies, OPEC's limitation on Venezuelan production quotas, and the recent rollback in oil prices have reduced Venezuelan oil income. In 1983 Venezuela produced about 1.8 million barrels per day, down from 2.3 in 1980 (32:1; 64:254). This trend, according to the experts, will continue in the future and Venezuelan oil income reductions will dictate national expenditure adjustments. Presently, Venezuela suffers from high inflation, 25% in 1984; high unemployment, 13% in 1984; and high interest rates, 20% in 1984. In addition, the national debt climbed to over 30 billion dollars in 1983 and

the bolivar exchange rate went from 4.29 to one U.S. dollar in 1982 to 10.69 to one U.S. dollar in 1984 (37:5; 3:116-118; 29:719; 3:120-121). These economic ills present high challenges to the administration of current President Jaime Lusinchi. His ability to continue the country's agrarian and industrial reform, to achieve an equitable income distribution, and to ameliorate inter-party disputes over who is responsible for the present situation (while he fights inflation, unemployment, interest rates, devaluation, and a high national debt) will dictate the future impact of the social tension which exists today (65:1-6).

Venezuela also faces the major economic threat, in the long run that, of oil reserves depletion and the possibility of diminished demand for oil if the world finds new means of energy. In 1980 Venezuela's oil reserves were estimated at 19,666 million barrels with a production potential of 25 years (64:254). A field in the Orinoco Tar Belt is estimated to contain from 700 billion to 3 trillion barrels, however, the exploitation of oil from this area represents immense technical and economic barriers (36:44). The oil, having substantial quantities of sulphur and metallic elements, cannot be processed by the existing refineries. Therefore, if those reserves are to become a true asset special refining techniques are needed and investment in

expensive new technology is a must (66:3). The government, aware of the depletion threat, has focused on industrial and economic expansion through private, government, and foreign investment. But the government's efforts to involve private and foreign investment have not achieved the expected results. Of the 30 largest enterprises, excluding petroleum companies, 74% are government owned, 23% are Venezuelan private investments, and 3% are foreign private investments (67:64-65). The inability of the government to involve national private and foreign investment (since 1959 the Venezuelan government has exercised central planning and control over the economy through the National Economic Plans), forces Venezuela to continue to be dependent on oil and this will most likely continue in the future. In 1968 oil revenues represented 20.6% of the GNP, 92% of exports, 62% of foreign exchange earnings, and about 70% of the revenue supporting the national budget. Today, oil revenues generate 25% of GNP, 95% of export earnings, and 75% of the government's revenue (68:7; 67:44; 69:160).

The Latent Military Threat. Historically the military has shaped Venezuela's destiny. Before the establishment of a democratic regime in 1958, the military ruled the country for 123 of her 132 years of independence. Furthermore, in the mid-1960s, two marine garrisons were involved with

insurgent guerrillas in an effort to overthrow democracy (22:3; 40:34-35). The Bolivar idealism has not died in Venezuela. Military leaders of the old generation continue viewing themselves as the ultimate guardians of the nation's constitution and heritage, having the duty to act where they view the action of certain politicians as unconstitutional (18:168). In any event, three facts seem to have prevented the development of a current consensus which would support a military political intervention (41:L34): (1) the military's increased professionalism, commitment to serve the country, and government loyalty; (2) the amelioration of many economic problems in the country due to large oil revenues; (3) the well-being of the military in terms of pay, benefits, and prestige. But cultural values are slow to change and the old generation officers continue to consider military rebellion as a possible solution to national problems. This is documented by the 1983 Amnesty International Report which points out that in 1982 over 80 political prisoners faced charges of military rebellion (29:717). This report leads to the belief in the existence of a latent military political intervention threat in Venezuela's future. In addition, if the economic difficulties now existing in Venezuela do not improve in the

near future, the military might lose faith in the democratic government and choose military intervention in an effort to save their country from a tragic economic fall.

Venezuela's Communist Organizations. The establishment of a democratic government in 1958 encouraged the Venezuelan political parties maneuvering for increased influence in the elections. The Pact of Punto Fijo, signed by AD, COPEI, and URD, gave equal share of government power to each of the parties. In the 1958 elections, each party was permitted to run its own cadidate. Romulo Betancourt the AD's candidate, won and his government included members from COPEI and URD. However, the Communist Party (PCV) was ignored not only at the Pact of Punto Fijo but, also, when appointments to government positions were made by the first democratically elected president of Venezuela, President Betancourt (21:16). These decisions outraged the Communist Party and the Leftist Revolutionary Movement Organization (MIR) leaderships who, with Cuba's help, initiated a bloody period of guerrilla insurgency, immediately after the 1958 elections, with the objective of weakening and overthrowing the government (40:i-ii). Cuba's involvement projected Castro's and the Soviet Union's, policy of exportation of revolution and expansion of communism abroad. Weapons, training, manpower, financial support, and a hide-away refuge for those

wanted by Venezuelan authorities were provided by Cuba throughout the guerrilla insurgency period. By 1969, President Rafael Caldera announced an agreement of peace with the guerrilla leaders, who controlled a force of 300 men organized in three main bands, but the President was not completely successful. During the course of this year, guerrilla leader Douglas Bravo organized another guerrilla movement in Caracas. Also, aided by leader comrade Elegio Abada, Bravo organized guerrilla campaigns in eastern Venezuela (6:28-31; 41:L37).

Although not with the intensity of the mid and late 60s, guerrilla activity has continued to the present. The Country Reports on Human Rights Practices for 1983 confirms guerrilla activities in border posts during this year with a death toll of about six security force members, and more than twelve guerrillas (29:715). The conduct of guerrilla activities by the communist and other leftist parties for the last 26 years of Venezuela's history leads one to believe this involvement will continue in the future. Most likely, Cuba's response to these groups' requests for endorsement and support will also continue in the future. This may not be in an overt manner but probably in a more indirect fashion such as providing guerrilla training and propaganda.

External Threat in the Future

Venezuela has managed to maintain peaceful relations with her neighbors, and has refrained from and been freed of external conflicts. Due to her advantageous economic position and demonstrated leadership Venezuela has become a leader among Latin American nations, specifically in economic development and social harmony. But recent events and circumstances pose threats to Venezuela's future peace, economic stability, and growth. Through the years, Cuba and the Soviet Union have multiplied their efforts to expand their presence in the Caribbean region and have been quite successful. In addition, Venezuela's present involvement in border disputes with Colombia, Brazil, and Guyana could easily develop into conflict with these nations. Finally, as economic and other resources became available to other Latin American nations, (Argentina, Cuba, Brazil, Colombia, Nicaragua, and Peru), they began weapons and military build-up in excess of their present needs, thereby, present a potential threat to Venezuela. This is especially evident when their inventories contain sophisticated Soviet armaments. Such is the case of Cuba, Nicaragua, and Peru whose weapons inventories include Soviet MIG aircraft.

Cuba and the Soviet Union. Cuba's unqualified open support of insurgency in Venezuela caused the break-up of good relations between these countries and the expulsion of Cuba from the Organization of American states. In 1963 two caches of war equipment were found on the Caribbean coast of Venezuela and in 1967 Venezuelan authorities discovered several Cuban military officers fighting side by side with Venezuelan guerrillas. Both events were investigated by the OAS which found Cuba guilty on both charges (41:L36-L37). However, Cuba's revolutionary dream in Venezuela was not realized. Venezuelans ignored guerrilla threats and went to the polls, consequently reducing communist chances to gain power. Due to these events, Cuba shifted from unqualified support of insurgency to a more pragmatic and cautious approach, and a greater coordination with the Soviet Union, in the pursuit of common international socialist policy goals (50:9).

In the future, it cannot be assumed that Castro will reverse himself on the desirability of Cuban support for Latin American revolution. Instead, he may continue with his recent position of increased "indirect" support, training, and propaganda, while seeking to upgrade Cuba's legitimacy by establishing closer relations and more influence in the immediate Caribbean area. Presently, Cuba

has established relations with over 15 Latin American countries, including Venezuela, and has over 2,000 military advisors in the area. Also, Cuba presently is a member of SELA, the Mexican-Venezuelan sponsored Latin American Economic System designed to promote regional consensus on trade and development (50:11-12; 45:84).

The Soviet Union has always avoided visibility, protecting herself from possible negative repercussions in the conduct of activities in Latin America. This has been achieved by using Cuba as the instrument to execute Soviet strategy in the region. But, Cuba's assistance in the pursuit of the Soviet Union's objectives abroad has been handsomely rewarded. Cuba received the equivalent of about $3.5 billion (U.S. dollars) in annual economic aid, and about $1 billion (U.S. dollars) in arms during 1982-1983 (45:88-89). In addition, the Soviet effort to modernize Cuba's forces with top line aircraft, armored vehicles, rocket launchers, anti-aircraft weapons, and submarines has resulted in Cuba being today, next only to Brazil, the largest military organization in Latin America with the best quality force and equipment (48:3). The Soviet Union, in return for her economic and weapons aid to Cuba, has the use of Cuba's docking facilities, the Cienfuegos submarine complex, a satellite tracking station, and use of aircraft

runways, and refueling for reconnaissance flights. Moreover, the Soviets enjoy the benefits of a client socialist state and a Marxist model from which to build flexible options to penetrate the Caribbean (50:10). Caribbean leaders are well aware of the marxist regimentation of Cuban society and Cuba's linkage with the Soviet Union. Despite this, Cuba has been able to cultivate close ties with Jamaica and Guyana. Also, by 1977 Cuban and Soviet Union relations with Venezuela had improved to the point Venezuela concluded an agreement with the Soviets to exchange petroleum markets for a volume of 20,000 barrels a day (50:10-16).

In the future, the Soviet Union will most likely continue exports to increase her expansion and presence in the Caribbean and Latin America; encouraging, supporting, directing, and exploiting leftist groups in countries where Moscow sees a potential for bringing revolutionary regimes to power. Cuba is expected to continue in her role as an instrument to execute Soviet strategy. In addition, both Cuba and the Soviet Union will most likely continue their efforts to discredit the United States in Latin America condemning "the Yankee imperialism" while they seek greater access to Venezuela and her oil. Cuba, for the last 15 to 20 years, has been almost totally dependent on the Soviet

Union for oil, receiving, for example, an average of 155,000 barrels of Soviet oil a day in 1976 (70:D3). Access to Venezuela's oil would greatly alleviate Cuba's oil problem in the future. Table IX shows Cuban and Venezuelan defense expenditures from 1973 to 1983. Table X shows Cuban and Venezuelan Air Force manpower and military strength.

Venezuela's Border Disputes. During the course of the last couple of years, Venezuela's border disputes with Colombia, Brazil, and Guyana have taken on a serious character. For some time Venezuela has experienced continuing border incidents with Colombia over illegal immigration. Venezuelan soldiers have recently killed some Colombians attempting to enter their more affluent country. Also, thousands of undocumented Colombian workers have been arrested and are frequently held incommunicado for three to six months without trial before being deported. In addition, tensions also persist over the demarcation of the waters in the Gulf of Venezuela and contiguous offshore oil deposits, which both Venezuela and Colombia have claimed since the 1800s. The possibility of oil exploration in this area has raised the stakes even higher (29:716-717; 32:1; 33:183). Both governments engaged in bilateral talks held in Rome, but these talks were interrupted when Venezuela rejected Colombian demands for the issue to be submitted to

TABLE IX

CUBA AND VENEZUELA'S DEFENSE EXPENDITURES 1973-1983
(9:165-166)

(Amounts given in U.S. million dollars at 1980 prices and 1980 exchange rates)

YEAR	CUBA	VENEZUELA
1973	351	618
1974	366	857
1975	423	965
1976	-	704
1977	909	825
1978	1,018	850
1979	1,092	848
1980	1,053	907
1981	1,094	912
1982	1,200	920
1983	1,350	1,100
TOTAL	8,856	9,506

SOURCE: World Armaments and Disarmament. SIPRI Year Book 1983. SIPRI Stockholm International Peace Research Institute. International Publications Service, Taylor & Francis Inc.. New York NY, 1983

TABLE X

CUBA AND VENEZUELA'S AIR FORCE MANPOWER AND STRENGTH
(49:1071; 35:115; 52)

AIR FORCE MANPOWER	
CUBA	VENEZUELA
20,000	4,500

AIR FORCE STRENGTH	
CUBA	VENEZUELA
Six fighter-bomber squadrons: 90 MiG-17s and 19s aircraft	Two light bomber reconnais-squadrons: 20 Canberra aircraft
Two fighter-ground-attack squadrons: 30 MiG-23s aircraft	One fighter squadron: 12 Mirage aircraft. One fighter squadron: 6 F-16 (4 F-16Bs, and 2 F-16As) aircraft
Four transport squadrons: 20 IL-14s, 12 An-2s, and 20 An-26S aircraft	Two transport squadrons: 5 C-130H, 5 C-47, 7 C-123A, 2 G-222 aircraft
One training group: 36 Zlin 326s, 10 MiG-21Us, 2 MiG-23Us, plus few IL-14s and An-2s aircraft	Training: 12 Jet Provost, 20 T-2D Buckeye, 23 T-34 Mentor, and 2 F-16B aircraft.
Six helicopter squadrons: 30 Mi-1, 26 Mi-4, and 20 Mi-8 helicopters	One helicopter squadron: 14 Bell helicopters

TABLE X (continued)

AIR FORCE STRENGTH	
CUBA	VENEZUELA
One helicopter gunship squadron: 12 Mi-24s helicopters	Two interceptor fighter squadrons: 14 CF-5A, 2 CF-5D, 10 Mirage IIIEV, 4 5V, and 2 III 5DV aircraft Two utility liaison reconnaissance squadrons: 3 King Air, 9 Queen Air, 8 Cessna aircraft, 4 Bell 47G, and 13 Alouette helicopters One counter-insurgency squadron: 15 OV-10E aircraft One presidential squadron: 1 Boeing 737, 1 DC-9, 1 Gulfstream, 1 Cessna, 2 Bell UH-1H helicopter

NOTE: Honorable Charles H. Percy at the Proposed Sale of F-16s to Venezuela Congress Hearing mentioned a squadron of MiG-24 Floggers discovered in Cuba. At that time, their capabilities were ignored (48:18-19).

SOURCE: (1) The Cuban Revolutionary Armed Forces by Adrian J. English. Jane's Defense Weekly, Volume 1, Number 25. New York NY, 30 June, 1984; (2) The Military Balance 1983-1984. The International Institute for Strategic Studies. London, England, 1983; (3) Lecture slide presented in CM 5.54, Seminar in Acquisition Management. School of Systems and Logistics, Air Force Institute of Technology (AU), Wright-Patterson Air Force Base OH, by Brigadier General Yates, 17 July 1984.

international arbitration. Furthermore, Colombia has sought to explore compromise solutions such as the joint exploration and exploitation of subsea deposits but Venezuela has made lengthy reference to earlier treaties and to international law in rejecting Colombia's proposals. Although communication has continued between both parties, both willing to resolve the issue without military intervention, Venezuela's public opinion is strongly opposed to any understanding which surrenders Venezuelan rights. The Venezuelan armed forces are also firm on the question, opposing to any understanding which might be interpreted a surrender of territorial sovereighty (50:184).

Since 1962 both countries have increased defense expenditures. In 1971 Colombia ordered two German submarines and 18 French Mirage fighters. Venezuela purchased 16 OV-10 Bronco aircraft and 4 C-130 and 12 Cessna 182 transports. By the end of 1971, to balance the Colombian air power, Venezuela had ordered 15 Mirages (III/5) to be delivered during 1973-1974 (8:57). The build-up of both countries has continued, although Venezuela, as a result of her oil revenues, has been able to spend larger amounts therefore surpassing Colombia's defense spending at least over the last 10 years (57:6-93).

Table XI shows Colombia and Venezuela's military expenditures from 1973 to 1983. Table XII shows the United States Foreign Military Sales and Military Assistance to Colombia and Venezuela from 1974 to 1983. Table XIII shows Colombia, Venezuela, and the U.S. International Military Education and Training Program Deliveries Expenditures (includes Military Assistance Service Funded) from 1974 to 1983. Table XIV shows Colombia and Venezuela's Air Force manpower, defense production, and Air Force strength.

TABLE XI

COLOMBIA AND VENEZUELA'S DEFENSE EXPENDITURES 1973-1983 (9:166)

(Amounts given in U.S. million dollars at 1980 prices and 1980 exchange rates)

YEAR	COLOMBIA	VENEZUELA
1973	238	618
1974	228	857
1975	253	965
1976	260	704
1977	238	825
1978	220	850
1979	241	848
1980	301	907
1981	269	912
1982	599	920
1983	620	1,100
TOTAL	3,467	9,506

SOURCE: World Armaments and Disarmament. SIPRI Year Book 1983. SIPRI Stockholm International Peace Research Institute. International Publications Service, Taylor & Francis Inc.. New York NY, 1983

TABLE XII

AMOUNTS OF COLOMBIA AND VENEZUELA - UNITED STATES FOREIGN MILITARY SALES AGREEMENTS, ACTUAL DELIVERIES, AND COMMERCIAL PURCHASES LICENSED UNDER THE ARMS EXPORT CONTROL ACT
1974-1983
(57:6-7, 14-15, 42-43)

(Amounts given in U.S. dollars in thousands at 1980 prices and 1980 exchange rates)

YEAR	COUNTRY	FOREIGN MILITARY SALES AGREEMENTS	ACTUAL DELIVERIES	COMMERCIAL PURCHASES	ACTUAL DELIVERIES PLUS COMMERCIAL PURCHASES
1974	Colombia	810	3,867	764	4,631
	Venezuela	3,750	12,348	4,492	16,840
1975	Colombia	829	797	1,045	1,842
	Venezuela	47,022	34,765	7,595	42,360
1976	Colombia	1,800	1,161	1,163	2,324
	Venezuela	6,210	8,621	4,026	12,647
1977	Colombia	3,500	944	7,071	8,015
	Venezuela	1,975	43,566	7,949	51,515
1978	Colombia	7,358	1,917	2,563	4,480
	Venezuela	4,143	3,895	5,890	9,785
1979	Colombia	4,482	5,018	2,081	7,099
	Venezuela	1,884	4,776	8,718	13,494
1980	Colombia	10,342	3,695	1,418	5,113
	Venezuela	3,398	5,935	13,342	19,277

TABLE XII (continued)

YEAR	COUNTRY	FOREIGN MILITARY SALES AGREE-MENTS	ACTUAL DELIV-ERIES	COMMER-CIAL PUR-CHASES	ACTUAL DELIV-ERIES PLUS COMMER-CIAL PUR-CHASES
1981	Colombia	8,455	9,133	2,705	11,838
	Venezuela	71,881	13,809	8,000	21,809
1982	Colombia	13,178	15,069	5,000	20,069
	Venezuela	618,274	19,263	10,000	29,263
1983	Colombia	17,155	7,024	5,000	12,024
	Venezuela	3,851	33,037	10,000	43,037
TOTAL	Colombia	67,909	48,625	28,810	77,435
	Venezuela	762,388	180,015	80,012	260,027

SOURCE: Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts as of 30 September 1983. Published by Data Management Division, Comptroller, DSAA. Washington DC, 1983.

TABLE XIII

COLOMBIA, VENEZUELA, AND THE U.S. INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM DELIVERIES/EXPENDITURES INCLUDING MILITARY ASSISTANCE SERVICE FUNDED FROM 1974 TO 1983 (57:86-87, 92-93)

(Amounts given in U.S. dollars in thousands at 1980 prices and 1980 exchange rates)

	U.S. DOLLAR AMOUNT SPENT		NUMBER OF PERSONNEL TRAINED	
YEAR	Colombia	Venezuela	Colombia	Venezuela
1974	499	870	354	280
1975	647	668	310	142
1976	1,078	679	688	150
1977	706	73	350	13
1978	1,056	97	257	30
1979	499	1	408	-
1980	277	1	444	-
1981	207	8	539	18
1982	465	24	642	22
1983	725	48	914	52
TOTAL	6,159	2,469	4,906	707

SOURCE: Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts as of 30 September 1983. Published by Data Management Division, Comptroller, DSAA. Washington DC, 1983.

TABLE XIV

COLOMBIA AND VENEZUELA'S AIR FORCE MANPOWER, DEFENSE PRODUCTION, AND AIR FORCE STRENGTH (19:140; 35:115; 52)

AIR FORCE MANPOWER		DEFENSE PRODUCTION	
Colombia	Venezuela	Colombia	Venezuela
3,800	4,500	Aerospace Components & Naval hull construction	Ammunition

AIR FORCE STRENGTH

COLOMBIA	VENEZUELA
One bomber and reconnaissance squadron: 8 B-26Ks and RB-26Cs aircraft	Two light bomber reconnaissance squadrons: 20 Canberra aircraft
	Two utility liaison reconnaissance squadrons: 3 King Air, 9 Queen Air, 8 Cessna aircraft, 4 Bell 47G, and 13 Alouette Helicopters
One combat group: 14 Mirage aircraft (5 trainers)	One fighter squadron: 12 Mirage aircraft. One fighter squadron: 6 F-16 (4 F-16Bs, and 2 F-16As) aircraft
	Two interceptor fighter squadrons: 14 CF-5A, 2 CF-5D, 10 Mirage IIIEV, 4 5V, and 2 5DV aircraft

TABLE XIV (continued)

AIR FORCE STRENGTH	
COLOMBIA	VENEZUELA
Transport aircraft: 10 C-45s, 16 C-47s, 1C-54, 7 DC-3s, 10 Beavers, 3 130-B Hercules, 1 F-28 Fellowship and 2 HS-748s	Two transport squadrons: 5 C-130H, 5 C-47, 7 C-123A, 2 G-222 aircraft
Advanced Training and Tactical Support Aircraft: 10 AT-33A, 10 AT-37s, 30 Cessna T-41s, 30 T-34s, 10 T-38s, 3 Aravas, and 6 PC-7s	Training: 12 Jet Provost, 20 T-2D Buckeye, and 23 T-34 Mentor, and 2 F-16B aircraft
Helicopters: 27 Lamas, 16 Bell 47Gs, 12 Hughes OH-6As, 6 Kaman Huskies, 6 TH-55s, 6 Bell UH-1Bs, 4 H-23s, 4 Catalinas, and 10 Hughes 500 C/D Defenders	One helicopter squadron: 14 Bell helicopters
	One counter-insurgency squadron: 15 OV-10E aircraft
	One presidential squadron: 1 Boeing 737, 1 DC-9, 1 Gulf-stream, 1 Cessna, 2 Bell UH-1H helicopter

SOURCES: (1) Defense Foreign Affairs Handbook, 1983 Edition. Defense & Foreign Affairs, Ltd. Washington DC, 1982; (2) The Military Balance 1983-1984. The International Institute for Strategic Studies. London, England, 1983; (3) Lecture slide presented in CM 5.54, Seminar in Acquisition Management. School of Systems and Logistics, Air Force Institute of Technology (AU), Wright-Patterson Air Force Base OH, by Brigadier General Yates, 17 July 1984.

Venezuela's relations with Brazil in the last decade have been characterized by rivalry as both nations drive toward progressively greater hemispheric and extra-continental prominence. This rivalry particularly showed on two occasions: (1) President Richard Nixon in 1973 declared in a statement that Brazil was the "natural leader" of Latin America, presenting a developmental model consistent with North American policy preferences. This statement raised both Venezuelan public and private resentment towards the United States; (2) In February 1976 the Venezuelan press and non-governmental political elites responded with ferocity to Henry Kissinger's public recognition of Brazil as having great-power status (33:186-187).

In 1966 Brazil created the Superintendencia do Desenvolvimento da Amazonia (SUDAM) - Superintendency for the Development of the Amazon Area -, an autonomous entity committed to the development of the Amazon deserted region and to its effective integration into national life. The program received high priority in Brasilia and was reflected in colonization of the area, the opening of military bases, and the construction of a network of airfields capable of handling jet aircraft (in 1973, 45 were operable, by 1980 there were 126 operable) (33:185). Venezuela responded to this threat by creating her own "Comision para el Desarrollo

del Sur de Venezuela (CODESUR)" - Commission for the Development of Southern Venezuela -. This program, despite the ambitious objectives it carries, has not been successful. No significant colonization or military bases exist in this area and Venezuela is quite conscious of the Brazilian presence on the border and her economic and political influence throughout the hemisphere (33:185-187). Brazil has added cause for additional concern to that already experienced by Venezuela. The Brazilian government has publicly made clear the support it gives to Guyana and its willingness to provide that country with military assistance should Venezuela occupy any territory within the present borders of Guyana (19:269).

Venezuela would be grossly overmatched in a military confrontation with Brazil. In addition to Brazil's present military strength, Brazil has a defense production of aircraft, spare parts, missiles, aircraft guns, ammunition, etc. In the period January 1982 to March 1982, Brazilian firms contracted for the delivery of over $700 U.S. million dollars worth of weapons including rockets, armored vehicles, torpedoes and other ammunition (19:77). Despite great tension, Venezuela and Brazil will most likely continue peaceful relations although the danger of tensions boiling over persists.

Table XV shows Brazil and Venezuela's military expenditures from 1973 to 1983. Table XVI shows the United States Foreign Military Sales and Military Assistance to Brazil and Venezuela from 1974 to 1983. Table XVII shows Brazil, Venezuela and the United States International Military Education and Training Program deliveries/expenditures from 1974 to 1983. Table XVIII shows Brazil and Venezuela's Air Force manpower, defense production, and Air Force strength.

TABLE XV

BRAZIL AND VENEZUELA'S DEFENSE EXPENDITURES 1973-1983 (9:166)

(Amounts given in U.S. million dollars at 1980 prices and 1980 exchange rates)

YEAR	BRAZIL	VENEZUELA
1973	2,672	618
1974	1,873	857
1975	1,988	965
1976	2,212	704
1977	2,017	825
1978	1,867	850
1979	1,665	848
1980	1,303	907
1981	1,354	912
1982	1,531	920
1983	1,500	1,100
TOTAL	19,982	9,506

SOURCE: World Armaments and Disarmament. SIPRI Year Book 1983. SIPRI Stockholm International Peace Research Institute. International Publications Service, Taylor & Francis Inc.. New York NY, 1983

TABLE XVI

AMOUNTS OF BRAZIL AND VENEZUELA - UNITED STATES FOREIGN MILITARY SALES AGREEMENTS, ACTUAL DELIVERIES, AND COMMERCIAL PURCHASES LICENSED UNDER THE ARMS EXPORT CONTROL ACT
1974-1983
(57:6-7, 12-15, 42-43)

(Amounts given in U.S. dollars in thousands at 1980 prices and 1980 exchange rates)

YEAR	COUNTRY	FOREIGN MILITARY SALES AGREEMENTS	ACTUAL DELIVERIES	COMMERCIAL PURCHASES	ACTUAL DELIVERIES PLUS COMMERCIAL PURCHASES
1974	Brazil	70,332	20,893	4,002	24,895
	Venezuela	3,750	12,348	4,492	16,840
1975	Brazil	21,789	42,141	4,337	46,478
	Venezuela	47,022	34,765	7,595	42,360
1976	Brazil	10,495	45,687	43,988	89,675
	Venezuela	6,210	8,621	4,026	12,647
1977	Brazil	14,718	8,531	6,055	14,586
	Venezuela	1,975	43,566	7,949	51,515
1978	Brazil	13,243	7,551	4,793	12,344
	Venezuela	4,143	3,895	5,890	9,785
1979	Brazil	311	7,593	8,174	15,767
	Venezuela	1,884	4,776	8,718	13,494
1980	Brazil	2,771	7,322	7,575	14,897
	Venezuela	3,398	5,935	13,342	19,277

TABLE XVI (continued)

YEAR	COUNTRY	FOREIGN MILITARY SALES AGREE-MENTS	ACTUAL DELIV-ERIES	COMMER-CIAL PUR-CHASES	ACTUAL DELIV-ERIES PLUS COMMER-CIAL PUR-CHASES
1981	Brazil	4,143	5,321	9,901	15,222
	Venezuela	71,881	13,809	8,000	21,809
1982	Brazil	13,522	4,269	10,000	14,269
	Venezuela	618,274	19,263	10,000	29,263
1983	Brazil	35,761	9,060	20,000	29,060
	Venezuela	3,851	33,037	10,000	43,037
TOTAL	Brazil	187,085	158,368	118,825	286,193
	Venezuela	762,388	180,015	80,012	260,027

SOURCE: Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts as of 30 September 1983. Published by Data Management Division, Comptroller, DSAA. Washington DC, 1983.

TABLE XVII

BRAZIL, VENEZUELA, AND THE U.S. INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM DELIVERIES/EXPENDITURES INCLUDING MILITARY ASSISTANCE SERVICE FUNDED FROM 1974 TO 1983 (57:86-87, 92-93)

(Amounts given in U.S. dollars in thousands at 1980 prices and 1980 exchange rates)

	U.S. DOLLAR AMOUNT SPENT		NUMBER OF PERSONNEL TRAINED	
YEAR	Brazil	Venezuela	Brazil	Venezuela
1974	662	870	258	280
1975	644	668	273	142
1976	562	679	220	150
1977	62	73	-	13
1978	11	97	-	30
1979	-	1	-	-
1980	-	1	-	-
1981	-	8	-	18
1982	-	24	-	22
1983	75	48	-	52
TOTAL	2,016	2,469	751	707

SOURCE: Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts as of 30 September 1983. Published by Data Management Division, Comptroller, DSAA. Washington DC, 1983.

TABLE XVIII

BRAZIL AND VENEZUELA'S AIR FORCE MANPOWER, DEFENSE PRODUCTION, AND AIR FORCE STRENGTH (19:80-81; 35:115; 52)

AIR FORCE MANPOWER		DEFENSE PRODUCTION	
Brazil	Venezuela	Brazil	Venezuela
42,800	4,500	Aerospace airframe construction and/or overhaul	
		Aerospace components	
		Aerospace engines	
		Ordnance & Munitions	
		Small Arms	Ammunition
		Havey Artillery and gun systems	
		Military Vehicle construction	
		Naval hull construction	
		Naval weapon systems	

AIR FORCE STRENGTH

BRAZIL	VENEZUELA
One Interceptor Squadron: 18 Mirage aircraft	Two interceptor fighter squadrons: 14 CF-5A, 2 CF-5D, 10 Mirage IIIEV, 4 5V, and 2 5DV aircraft

TABLE XVIII (continued)

AIR FORCE STRENGTH	
BRAZIL	VENEZUELA
Eight counter-insurgency squadron: 70 AT-26 Xavantes, 19 AT-25 Universals, 6 UH-1HDs, 4 Bell 206s, and 4 OH-6As helicopters	One counter-insurgency squadron: 15 OV-10E aircraft
Two fighter squadrons: 33 Northrop F-5E Tiger IIs, and 5 F-5Bs aircraft	One fighter squadron: 12 Mirage aircraft. One fighter squadron: 6 F-16 (4 F-16Bs, and 2 F-16As) aircraft
Four transport groups: 7 C-130E Hercules, 21 DHC Buffaloes, 96 EMB-110As, 6 Augusta Bell 206s, and 6 PBY-5s	Two transport squadrons: 5 C-130H, 5 C-47, 7 C-123A, 2 G-222 aircraft
One VIP transport group: 2 Boeing 737-200s, 8 HS-125s, 1 BAC Viscount, 12 EMB-810Cs, and 11 EMB-121 Xingus aircraft	One presidential squadron: 1 Boeing 737, 1 DC-9, 1 Gulf-stream, 1 Cessna, 2 Bell UH-1H helicopter
One aerial refueling group: 3 C-130Hs, and 2 KC-130Hs aircraft	
6 EMB- 110As for photo survey 4 EMB- 1110As for navaid checking	Two light bomber reconnais-sance squadrons: 20 Canberra aircraft
Liaison aircraft include: 70 Meiva U-42 Regentes 40 Neiva L-41 Regentes, and 36 UH-1H helicopters	Two utility liaison reconnais-sance squadrons: 3 King Air, 9 Queen Air, 8 Cessna air-craft, 4 Bell 47G, and 13 Alouette Helicopters

TABLE XVIII (continued)

AIR FORCE STRENGTH	
BRAZIL	VENEZUELA
Four SAR squadrons: 7 HU-16B Albatross, 2 HS-125s, 5 SH-1Ds, 2 Bell 47Gs, and 6 SA 330 Puma helicopters	One helicopter squadron: 14 Bell helicopters
Training: 100 T-23s, 160 T-25s, 98 AT-26s, and 30 H-13Js	Training: 12 Jet Provost, 20 T-2D Buckeye, and 23 T-34 Mentor, and 2 F-16B aircraft

SOURCES: (1) Defense Foreign Affairs Handbook, 1983 Edition. Defense & Foreign Affairs, Ltd. Washington DC, 1982; (2) The Military Balance 1983-1984. The International Institute for Strategic Studies. London, England, 1983; (3) Lecture slide presented in CM 5.54, Seminar in Acquisition Management. School of Systems and Logistics, Air Force Institute of Technology (AU), Wright-Patterson Air Force Base OH, by Brigadier General Yates, 17 July 1984.

The Venezuela and Guyana border disputes arise out of a claim by Venezuela to the Essequibo region of Guyana which comprises nearly 60 percent of Guyana's total area (19:269). Since 1982, with the expiration of the Port of Spain Protocol signed in 1970, the tensions have increased. This Protocol held Venezuela and Guyana differences in abeyance for 12 years. But now that the agreement has expired and Venezuela knows of the significant gold deposits and the region's great hydroelectric potential, Guyana fears Venezuelan military action (32:1). In 1977 Frederick Wills, Guyana's Foreign Minister, referred to Venezuela's claims to the Essequibo region as the biggest threat to Guyana's security (71::V4).

Guyana knows that on a confrontation with Venezuela she will be grossly overmatched, and fears it. Recently, Guyana mobilized her forces and held military maneuvers in the disputed region in response to alleged border incursions by Venezuelan helicopters (19:269). Guyana is also searching for new sources of military equipment despite rumors of low-level Cuban security assistance since 1977 (when Guyana became an associate member of the Soviet Bloc Council for Mutual Economic Assistance) (50:14-15; 72:A12).

Venezuela was incensed in 1975 when Guyana allowed Angola-bound Cuban troops to be routed through the country. Recently, Venezuela also became outraged when Brazil stated that the Brazilian government would be willing to provide military assistance to Guyana should Venezuela occupy any territory within the present borders of the country (33:185; 19:269).

Table XIX shows Guyana and Venezuela's military expenditures from 1973 to 1983. Table XX shows the United States Foreign Military Sales - Commercial exports licensed under Arms Export Control Act. Table XXI shows Guyana, Venezuela, and the United States International Military Education and Training Program deliveries/expenditures from 1974 to 1983. Table XXII shows Guyana and Venezuela's Air Force manpower, defense production, and Air Force strength.

TABLE XIX

GUYANA AND VENEZUELA'S DEFENSE EXPENDITURES 1973-1983 (9:166)

(Amounts given in U.S. million dollars at 1980 prices and 1980 exchange rates)

YEAR	GUYANA	VENEZUELA
1973	20.4	618
1974	29.5	857
1975	56.5	965
1976	78.7	704
1977	47.1	825
1978	34.3	850
1979	-	848
1980	-	907
1981	-	912
1982	-	920
1983	-	1,100
TOTAL	266.5	9,506

SOURCE: World Armaments and Disarmament. SIPRI Year Book 1983. SIPRI Stockholm International Peace Research Institute. International Publications Service, Taylor & Francis Inc.. New York NY, 1983

TABLE XX

AMOUNTS OF GUYANA AND VENEZUELA - UNITED STATES FOREIGN MILITARY SALES AGREEMENTS, ACTUAL DELIVERIES, AND COMMERCIAL PURCHASES LICENSED UNDER THE ARMS EXPORT CONTROL ACT
1974-1983
(57:42-43)

(Amounts given in U.S. dollars in thousands at 1980 prices and 1980 exchange rates)

YEAR	COMMERCIAL PURCHASES GUYANA	VENEZUELA
1974	4	4,492
1975	16	7,595
1976	20	4,026
1977	113	7,949
1978	4	5,890
1979	5	8,718
1980	7	13,342
1981	707	8,000
1982	20	10,000
1983	500	10,000
TOTAL	1,396	80,012

SOURCE: Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts as of 30 September 1983. Published by Data Management Division, Comptroller, DSAA. Washington DC, 1983.

TABLE XXI

GUYANA, VENEZUELA, AND THE U.S. INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM DELIVERIES/EXPENDITURES INCLUDING MILITARY ASSISTANCE SERVICE FUNDED FROM 1974 TO 1983
(57:86-87, 92-93)

(Amounts given in U.S. dollars in thousands at 1980 prices and 1980 exchange rates)

	U.S. DOLLAR AMOUNT SPENT		NUMBER OF PERSONNEL TRAINED	
YEAR	Guyana	Venezuela	Guyana	Venezuela
1974	-	870	-	280
1975	-	668	-	142
1976	-	679	-	150
1977	-	73	-	13
1978	-	97	-	30
1979	-	1	-	-
1980	-	1	-	-
1981	-	8	11	18
1982	14	24	22	22
1983	25	48	10	52
TOTAL	39	2,469	43	707

SOURCE: Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts as of 30 September 1983. Published by Data Management Division, Comptroller, DSAA. Washington DC, 1983.

TABLE XXII

GUYANA AND VENEZUELA'S AIR FORCE MANPOWER, DEFENSE PRODUCTION, AND AIR FORCE STRENGTH (19:270; 35:115; 52)

AIR FORCE MANPOWER		DEFENSE PRODUCTION	
Guyana	Venezuela	Guyana	Venezuela
7,000 (all services belong to a single service "the Guyana Defense Force")	4,500	None	Ammunition

AIR FORCE STRENGTH

GUYANA	VENEZUELA
6 Britten-Norman Islanders, 2 Bell 206Bs, 2 Bell 212s, 1 Beech King Air 200, and 1 Cessna U 206F aircraft	Two light bomber reconnaissance squadrons: 20 Canberra aircraft Two utility liaison reconnaissance squadrons: 3 King Air, 9 Queen Air, 8 Cessna aircraft, 4 Bell 47G, and 13 Alouette Helicopters One fighter squadron: 12 Mirage aircraft. One fighter squadron: 6 F-16 (4 F-16Bs, and 2 F-16As) aircraft Two interceptor fighter squadrons: 14 CF-5A, 2 CF-5D, 10 Mirage IIIEV, 4 5V, and 2 5DV aircraft

TABLE XXII (continued)

AIR FORCE STRENGTH	
GUYANA	VENEZUELA
	Two transport squadrons: 5 C-130H, 5 C-47, 7 C-123A, 2 G-222 aircraft
	Training: 12 Jet Provost, 20 T-2D Buckeye, and 23 T-34 Mentor, and 2 F-16B aircraft
	One helicopter squadron: 14 Bell helicopters
	One counter-insurgency squadron: 15 OV-10E aircraft
	One presidential squadron: 1 Boeing 737, 1 DC-9, 1 Gulfstream, 1 Cessna, 2 Bell UH-1H helicopter

SOURCES: (1) Defense Foreign Affairs Handbook, 1983 Edition. Defense & Foreign Affairs, Ltd. Washington DC, 1982; (2) The Military Balance 1983-1984. The International Institute for Strategic Studies. London, England, 1983; (3) Lecture slide presented in CM 5.54, Seminar in Acquisition Management. School of Systems and Logistics, Air Force Institute of Technology (AU), Wright-Patterson Air Force Base OH, by Brigadier General Yates, 17 July 1984.

Latin America Nations Military Build-Up: Argentina, Colombia, Cuba, Brazil, Nicaragua, and Peru. The availability of economic and other resources often has a direct effect on a country's military build-up. Such has been the case with Argentina, Colombia, Cuba, Brazil, Nicaragua, and Peru. The build-up in some of these countries (Cuba, Nicaragua, and Peru), rather than resulting solely from available national economic resources, resulted from support provided by their relations and loyalty to the Soviet Union. (45:88-89; 43:37). The military strength of Brazil, Colombia, and Cuba, and the threat they represent to Venezuela's national security were presented earlier in this chapter. This section will study the military build-up of Argentina, Nicaragua, and Peru, and the consequences they might have to Venezuela's progress and stability.

Argentinan and Venezuelan relations have a long history of mutual respect and cooperation. During the Falklands conflict, Venezuela was described as Argentina's number one supporter in the hemisphere. Venezuela provided unqualified political support to Argentina during that war, while also furnishing significant quantities of aircraft and military spare parts (32:2). Despite the losses Argentina's Air Force suffered during the war an estimated 105 aircraft including helicopters the country still remains one of the

military powers in the region, almost equal to Brazil (73:40). In addition, Argentina currently manufactures strike aircraft, trainers, ground attack aircraft, armored vehicles, warships, and missiles which she sells in the international market (19:26).

Table XXIII shows Argentina and Venezuela defense expenditures from 1973 to 1983. Table XXIV shows Argentina and Venezuela Air Force manpower, defense production, and Air Force strength.

TABLE XXIII

ARGENTINA AND VENEZUELA'S DEFENSE EXPENDITURES 1973-1983
(9:166)

(Amounts given in U.S. million dollars at 1980 prices and 1980 exchange rates)

YEAR	ARGENTINA	VENEZUELA
1973	2,642	618
1974	2,691	857
1975	3,419	965
1976	3,890	704
1977	3,979	825
1978	4,025	850
1979	3,980	848
1980	3,942	907
1981	4,106	912
1982	9,795	920
1983	9,750	1,100
TOTAL	52,319	9,506

SOURCE: World Armaments and Disarmament. SIPRI Year Book 1983. SIPRI Stockholm International Peace Research Institute. International Publications Service, Taylor & Francis Inc.. New York NY, 1983

TABLE XXIV

ARGENTINA AND VENEZUELA'S AIR FORCE MANPOWER, DEFENSE PRODUCTION, AND AIR FORCE STRENGTH (19:29-30; 35:115; 52)

AIR FORCE MANPOWER		DEFENSE PRODUCTION	
Argentina	Venezuela	Argentina	Venezuela
19,500	4,500	Aerospace airframe construction and/or overhaul. Aerospace components Aerospace avionics Small arms Naval hull construction Command, control, communications and surveillance systems Missile systems-surface and air based	Ammunition

AIR FORCE STRENGTH

ARGENTINA	VENEZUELA
One bomber squadron: 9 Canberra B-62s, and 2 Canberra T-64s aircraft	Two light bomber reconnaissance squadrons: 20 Canberra aircraft
Three fighter squadrons: 70 A-4P Skyhawks aircraft Two fighter squadrons: 32 MS-760A aircrafts	One fighter squadron: 12 Mirage aircraft. One fighter squadron: 6 F-16 (4 F-16Bs, and 2 F-16As) aircraft

TABLE XXIV (continued)

AIR FORCE STRENGTH

ARGENTINA	VENEZUELA
Two interceptor squadrons: 26 IAI Daggers aircraft One interceptor squadron: 19 Mirage IIIEAs, and 2 Mirage IIIDAs aircraft	Two interceptor fighter squadrons: 14 CF-5A, 2 CF-5D, 10 Mirage IIIEV, 4 5V, and 2 5DV aircraft
One counter-insurgency squadron: 50 IA-58 Pucaras aircraft	One counter-insurgency squadron: 15 OV-10E aircraft
One VIP squadron: 2 F-28Mk 1000 Cs, 1 Sabreliner, and 2 S-58Ts aircraft	One presidential squadron: 1 Boeing 737, 1 DC-9, 1 Gulfstream, 1 Cessna, 2 Bell UH-1H helicopter
Transports: 3 C-130Es, 4 C-130Hs, 2 KC-130H tankers, 2 Boeing 707-320Bs, 5 F-28Mk 1000Cs, 11 F-27 Mk 400s and Mk 600s, 7 Twin Otters, 22 IA-50, and 9 Puma helicopters	Two transport squadrons: 5 C-130H, 5 C-47, 7 C-123A, 2 G-222 aircraft
Liaison: 5 Learjet 35As, 14 Shrike Commanders, and 2 Merlin IVAs	Two utility liaison reconnaissance squadrons: 3 King Air, 9 Queen Air, 8 Cessna aircraft, 4 Bell 47G, and 13 Alouette Helicopters
One helicopter squadron: 6 Lamas. One counter-insurgency helicopter squadron: 14 Hughes 500Ms, and 6 Bell UH-1Hs	One helicopter squadron: 14 Bell helicopters
Trainers: 35 T-34As, 12 MS-760, 37 Cessna 182s, and 16 IA-35 aircraft	Training: 12 Jet Provost, 20 T-2D Buckeye, 23 T-34 Mentor, and 2 F-16B aircraft

TABLE XXIV (continued)

AIR FORCE STRENGTH	
ARGENTINA	VENEZUELA
One reconnaissance squadron: 20 IA-35 Huanqueros aircraft One Antartic squadron: 3 CH-47C Chinooks, 3 DHC-2 Beavers, 3 DHC-3 Otters, 1 LC-47, 3 S-61R/NRs, 6 UH-19s, 4 UH-1Ds, 4 Bell 47Gs, and 8 Bell 212s	

SOURCES: (1) Defense Foreign Affairs Handbook, 1983 Edition. Defense & Foreign Affairs, Ltd. Washington DC, 1982; (2) The Military Balance 1983-1984. The International Institute for Strategic Studies. London, England, 1983; (3) Lecture slide presented in CM 5.54, Seminar in Acquisition Management. School of Systems and Logistics, Air Force Institute of Technology (AU), Wright-Patterson Air Force Base OH, by Brigadier General Yates, 17 July 1984.

Nicaraguan and Venezuelan relations are cooperative and of mutual respect despite the major Cuban presence in Nicaragua and an influx of Soviet combat weapons and aircraft. Nicaragua currently has Cuban military advisors in unspecified numbers, and at least 60 Soviet military advisors (19:465). Nicaragua has been agreeable to permitting the trans-shipment of arms from Cuba to leftist guerrillas in El Salvador and, in return, Nicaragua has been rewarded by the Soviets. In 1981 the Nicaraguan government confirmed having received arms from the Soviet Union including an unspecified number of Soviet T-55 tanks (19:465). These events brought immediate concern to other Latin American countries including Venezuela. However, Nicaragua and Venezuela continue dial relations. Both countries are among the signatories of Latin America peace and reciprocal assistance treaties including the Act of Chapultepec signed in 1945; the Inter-American Treaty of Reciprocal Assistance signed in 1947; the Treaty for the Prohibition of Nuclear Weapons Use in Latin America signed in 1967; and the Charter of the Organization of American States (OAS) signed in 1948. The first two treaties constrain the signatories to the peaceful settlement of disputes among themselves and provide for collective self-defense should any member party be subject to external

attack. The Treaty for the Prohibition of Nuclear Weapons commits the parties to use the nuclear material and facilities in their jurisdiction exclusively for peaceful purposes. The OAS Charter embraces the same purposes as the Act of Chapultepec and the Inter-American Treaty of Reciprocal Assistance. In addition, it clarifies that the signatories are bound to collective action if external attack upon one or more signatory states should occur (35:98; 61:652, 664).

Table XXV shows Nicaragua and Venezuela's defense expenditures from 1973 to 1983. Table XXVI shows Nicaragua and Venezuela's Air Force manpower, defense production, and Air Force strength.

TABLE XXV

NICARAGUA AND VENEZUELA'S DEFENSE EXPENDITURES 1973-1983
(9:165-166)

(Amounts given in U.S. million dollars at 1980 prices and 1980 exchange rates)

YEAR	NICARAGUA	VENEZUELA
1973	13.9	618
1974	39.7	857
1975	45.6	965
1976	61.0	704
1977	75.7	825
1978	91.5	850
1979	60.6	848
1980	119.0	907
1981	146.0	912
1982	-	920
1983	167.0	1,100
TOTAL	820.0	9,506

SOURCE: World Armaments and Disarmament. SIPRI Year Book 1983. SIPRI Stockholm International Peace Research Institute. International Publications Service, Taylor & Francis Inc.. New York NY, 1983

TABLE XXVI

NICARAGUA AND VENEZUELA'S AIR FORCE MANPOWER, DEFENSE PRODUCTION, AND AIR FORCE STRENGTH (19:466-467; 35:115; 52)

AIR FORCE MANPOWER		DEFENSE PRODUCTION	
Nicaragua	Venezuela	Nicaragua	Venezuela
1,500	4,500	None	Ammunition

AIR FORCE STRENGTH

NICARAGUA	VENEZUELA
Two ground attack squadrons: 4 T-33As, and 6 T-28Ds	Two light bomber reconnaissance squadrons: 20 Canberra aircraft
Transports: 2 IAI Arava, 5 5C-47s, 4 C-45s, 5 C-212s, and 10 Cessna 180s aircraft	Two transport squadrons: 5 C-130H, 5 C-47, 7 C-123A, 2 G-222 aircraft
Helicopters: 1 Hughes 269, 40H-6As, 3 Sikorsky CH-34s	One helicopter squadron: 14 Bell helicopters
Training: Few (unknown number) Piper Super Cubs aircraft	Training: 12 Jet Provost, 20 T-2D Buckeye, 23 T-34 Mentor, and 2 F-16B aircraft
VIP aircraft: 1 HS-125 aircraft	One presidential squadron: 1 Boeing 737, 1 DC-9, 1 Gulfstream, 1 Cessna, 2 Bell UH-1H helicopter

TABLE XXVI (continued)

AIR FORCE STRENGTH	
NICARAGUA	VENEZUELA
Fighters: There is enough evidence to believe that significant numbers of MiG-17, MiG-19, and MiG-21 fighters were transferredc to Nicaragua from the Soviet Union in 1982 via cuba	One fighter squadron: 12 Mirage aircraft. One fighter squadron: 6 F-16 (4 F-16Bs, and 2 F-16As) aircraft Two interceptor fighter squadrons: 14 CF-5A, 2 CF-5D, 10 Mirage IIIEV, 4 5V, and 2 5DV aircraft One counter-insurgency squadron: 15 OV-10E aircraft Two utility liaison reconnaissance squadrons: 3 King Air, 9 Queen Air, 8 Cessna aircraft, 4 Bell 47G, and 13 Alouette Helicopters

SOURCES: (1) Defense Foreign Affairs Handbook, 1983 Edition. Defense & Foreign Affairs, Ltd. Washington DC, 1982; (2) The Military Balance 1983-1984. The International Institute for Strategic Studies. London, England, 1983; (3) Lecture slide presented in CM 5.54, Seminar in Acquisition Management. School of Systems and Logistics, Air Force Institute of Technology (AU), Wright-Patterson Air Force Base OH, by Brigadier General Yates, 17 July 1984.

Peru has engaged in a military build up of striking proportions since 1969 (73:37). The country, being one of the signatory states of the Act of Chapultepec, the Inter-American Treaty of Reciprocal Assistance, the Charter of the Organization of American States, and the Treaty for the Prohibition of Nuclear Weapons Use in Latin America, keeps friendly relations with Venezuela. These relations improved when Peru joined Venezuela in rendering unconditional support to Argentina during the Falklands conflict with England (19:500-501). Peru, in addition to her weapon purchases from United States, other Latin American countries, and Europe, has a dynamic trade with the Soviet Union. In 1973 Peru began the purchase of weapons from the Soviet Union and there has been a steady supply since then to the present. Peru has today, in addition to Cuban military advisors, between 125 and 150 Soviet advisors at any given time (19:501; 45:90). But Peru's military build-up ambition turned to the United States in 1982. Peru notified the U.S. government of her interest in purchasing 26 F-16/79 fighter and possibly some A-10 Thunderbolt II ground attack aircraft (19:501). The rapid Peruvian military build-up worries Venezuela, whose objective for the future is continued peaceful relations with Peru.

Table XXVII shows Peru and Venezuela's defense expenditures from 1973 to 1983. Table XXVIII shows Peru and Venezuela's Air Force manpower, defense production, and Air Force strength.

TABLE XXVII

PERU AND VENEZUELA'S DEFENSE EXPENDITURES 1973-1983
(9:166)

(Amounts given in U.S. million dollars at 1980 prices and 1980 exchange rates)

YEAR	PERU	VENEZUELA
1973	533	618
1974	516	857
1975	681	965
1976	772	704
1977	1,121	825
1978	851	850
1979	667	848
1980	980	907
1981	857	912
1982	850	920
1983	970	1,100
TOTAL	8,798	9,506

SOURCE: World Armaments and Disarmament. SIPRI Year Book 1983. SIPRI Stockholm International Peace Research Institute. International Publications Service, Taylor & Francis Inc.. New York NY, 1983

TABLE XXVIII

PERU AND VENEZUELA'S AIR FORCE MANPOWER, DEFENSE PRODUCTION, AND AIR FORCE STRENGTH (19:503-504; 35:115; 52)

AIR FORCE MANPOWER		DEFENSE PRODUCTION	
Peru	Venezuela	Peru	Venezuela
10,000	4,500	Naval hull construction	Ammunition

AIR FORCE STRENGTH

PERU	VENEZUELA
Two light bomber squadrons: 43 B-2/B(I)-8/B(I)-56/B(I)-68 Canberras aircraft	Two light bomber reconnaissance squadrons: 20 Canberra aircraft
Two counter-insurgency squadrons: 20 Cessna A-37Bs aircraft	One counter-insurgency squadron: 15 OV-10E aircraft
Two fighter squadrons: 52 Sukhoi Su-22s aircraft	One fighter squadron: 12 Mirage aircraft. One fighter squadron: 6 F-16 (4 F-16Bs, and 2 F-16As) aircraft
One interceptor squadron: 32 Mirage VPs, and 5 Mirage VDPs aircraft One interceptor squadron: 12 A-37Bs, and 4 HU-16B Albatroses	Two interceptor fighter squadrons: 14 CF-5A, 2 CF-5D, 10 Mirage IIIEV, 4 5V, and 2 5DV aircraft

TABLE XXVIII (continued)

AIR FORCE STRENGTH

PERU	VENEZUELA
Transports: 8 lockheed L-100-20s, 16 DHC Buffaloes, 16 An-26s, some C-46s, 6 C-47s, 4 C-54s, 5 DC-6s, 12 Turbo-Porters, 5 Cessna 185s, 13 DHC Twin Otters, and 18 Beach Queen Airs	Two transport squadrons: 5 C-130H, 5 C-47, 7 C-123A, 2 G-222 aircraft
VIP Section: 3 F-28 Friendships, and 1 Learjet	One presidential squadron: 1 Boeing 737, 1 DC-9, 1 Gulfstream, 1 Cessna, 2 Bell UH-1H helicopter
Helicopters: 17 Bell 212s, 20 Bell 47Gs, 12 Alouette IIIs, 6 Mi-6s, 5 Mi-8s, 24 Bell 206s	One helicopter squadron: 14 Bell helicopters
Trainers: 4 SU-22UTI, 19 Cessna T-41As, 6 Pitts Specials, 26 Cessna T-37Bs, 6 T-34s, 12 MiG-21s, 4 Cessna 150s, and 8 T-33s (armed trainer role)	Training: 12 Jet Provost, 20 T-2D Buckeye, 23 T-34 Mentor, and 2 F-16B aircraft
	Two utility liaison reconnaissance squadrons: 3 King Air, 9 Queen Air, 8 Cessna aircraft, 4 Bell 47G, and 13 Alouette Helicopters

SOURCES: (1) Defense Foreign Affairs Handbook, 1983 Edition. Defense & Foreign Affairs, Ltd. Washington DC, 1982; (2) The Military Balance 1983-1984. The International Institute for Strategic Studies. London, England, 1983; (3) Lecture slide presented in CM 5.54, Seminar in Acquisition Management. School of Systems and Logistics, Air Force Institute of Technology (AU), Wright-Patterson Air Force Base OH, by Brigadier General Yates, 17 July 1984.

Venezuela's Air Force Build-Up and Modernization Needs.

Previous chapters studied the Venezuelan economy's dependency on oil, and showed that the survival of Venezuela's economy and democracy were dependent on future international oil markets, internal peace, and, ultimately, on the readiness and strength of Venezuelan Armed Forces. The internal and external threats were also studied with special emphasis on guerrilla insurgency, Soviet Union-Cuba interest in the Caribbean, and Cuba's military strength. Also studied previously were Venezuela's border conflicts with Colombia, Brazil, and Guyana, and their comparable Air Force strength. All these factors considered, there is enough evidence to believe that Venezuela's continuing build-up and modernization of her Air Force in the future is needed if the country is to survive.

The Cuban record of active intervention in Latin American affairs, her imposing military power, and her role as a Soviet surrogate are matters of grave concern to Venezuela. Also, Brazil's public support for Guyana, should Venezuela take military action in solving her long standing claim over Guyana's Essequibo region is most disturbing. Those factors are probably the two main drives dictating Venezuela's Air Force build up and modernization. It has been recently stated by various sources that with

Venezuela's purchase of 18 F-16A, and 6 F-16B trainers, and plans to procure an additional 24 F-16s, once the first 24 aircraft attain operational status, will satisfy the country's fighter requirements for at least a decade at which time consideration will have to be given to the replacement of the current and aging Mirage force (48:5; 54:1; 63:1). However, Venezuela's Air Force counter-insurgency, transport, helicopter, and warning systems capabilities appear to be deficient, even after counting those items recently purchased and delivered and those with delivery date in the near future (63:1).

Table XXIX shows Venezuelan Air Force major weapons and support on order or under delivery up to early 1984.

TABLE XXIX

VENEZUELAN AIR FORCE MAJOR WEAPONS ON ORDER OR UNDER DELIVERY UP TO EARLY 1984
(9:336; 63:2-3; 52)

SUPPLIER	NUMBER ORDERED	WEAPONS DESIGNATION AND DESCRIPTION	YEAR OF ORDER	YEAR OF DELIV-ERY	NUMBER DELIV-ERED
Brazil	4	AS-350M Esquilo Helicopter	1981	1982	4
Canada	19	CF-5A Fighter	1982	1983	19
	1	DHC-7 Transport	1981	1982	1
Italy	8	G-222 Transport	1981	1982	2
Poland	5	An-2 Colt Lightplane	1980	-	-
United States	2	C-130H-30 Transport	1981	-	-
	18	F-16/A Fighter/ strike	1981		
	6	F-16B Fighter/ Trainer	1981		
	2	Model 214ST Helicopter	1981	1982	2
	1	Gulfstream III Transport/ Utility	1982	-	-

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TABLE XXIX (continued)

SPARES, DATA AND SUPPORT EQUIPMENT, TRAINING AND ELECTRONICS

SUPPLIER	NUMBER OR DOLLAR AMOUNTS ORDERED	ITEM DESIGNATION AND DESCRIPTION	YEAR OF ORDER
United States	$7.1 million	Spares for C-130H	1983
	$140 thousand	Flight and Maintenance C-130H	1983
	24	AN-APG-66 Radars for F-16A/Bs	1983
	$6.7 million	Support equipment for F100 engine	1982
	$50.9 million	Maintenance, Spares, data and support equipment for F-16A/Bs	1982
	$3.3 million	Training for F-16A/Bs	1983
	22	RT-1168/ARC-164(V) Transceivers	1982
	22	RT-1389/ARC-195(V) VHF transceivers	1982
	22	R-442/VRC VHF Receivers	1982
	30	PXL-280 Speech Scramblers	1982
	36	AN/GRC-171(V)2 Radios	1982

NOTE: Electronics: transceivers, receivers, speech scramblers, and radios will support the Venezuelan Air Force and the other services as well.

SOURCES: (1) World Armaments and Disarmament. SIPRI Year Book 1983. SIPRI Stockholm International Peace Research Institute. International Publications Service, Taylor & Francis Inc. New York NY, 1983; (2) "Venezuela II." DMS Market Intelligence Report: South America/Australasia. DMS Inc.. Greenwich CT, 1983. (3) Lecture slide presented in CM 5.54, Seminar in Acquisition Management. School of Systems and Logistics, Air Force Institute of Technology (AU), Wright-Patterson Air Force Base OH, 17 July 1984.

Venezuela's guerrilla insurgency, although not significant since the mid 1970s, started in the early 1960s and continues today (discussed in previous chapters). Venezuela's only Air Force counter-insurgency squadron operates with 15 OV-10E Broncos developed by Rockwell in the 1960s specifically for this purpose. They are light, adaptable, and capable of delivering substantial loads of sophisticated munitions on target (74:42). But these airplanes are ageing, they are over 15 years old, and although still operational, they should be gradually replaced. In addition, taking into consideration the loss rate in the event of military intervention, and the numerous advanced technology Soviet tanks in today's Cuban inventory, Venezuela needs to increase her counter-insurgency strength to be able to respond quickly should insurgency rise to or above the degree and duration of the 1960s.

The transport fleet will require modernization as C-123s, C-47s and C-54s are retired. The C-123s were delivered in 1958, the status of the C-47s and C-54s is unkown but Venezuela has plans for their early replacement (54:2-3). Venezuela's Alouette III helicopter fleet is old and outdated and also needs to be replaced (63:1).

Venezuela's limited ground radar capability was recognized at the U.S. Congressional Hearing for the Proposed Sale of F-16s to Venezuela. At this hearing, the plans for Venezuela's purchase of a ground-based environment radar system by 1985, and her possible needs for Airborn Warning and Control System (AWACS) aircraft to support the F-16 fleet, were also discussed (48:19-20). Venezuela's purchase of AWACS is needed to cover not only the support for F-16s, but as a deterrent for the increasing nuclear threat facing Venezuela and the Caribbean region. Cuba and Guyana are not signatories of the Treaty for the Prohibition of Nuclear Weapons in Latin America, and Cuba, not bounded by this treaty, could easily include nuclear weapons transported from the Soviet Union in her inventories. Argentina did not ratify the Treaty, and Brazil and Chile refuse to implement it until all other Latin American states have done so (61:664; 32:98). In addition, it is believed by most experts that Brazil could have "the bomb" in two to three years, and Argentina in three to five years (19:25; 30:52). It is also believed that the lingering power rivalry existing between both countries (Argentina's Armed Forces, until recently, were considered superior to Brazil's) might one day cause Argentina to opt for nuclear weapons to redress the balance by the only means remaining

available to it (75:35). These factors considered, the AWACS capabilities speak for themselves in justifying why Venezuela needs to purchase these aircraft.

Sources for Armament Purchases, and the United States Security Assistance Program.

Venezuela has signed several bilateral treaties with the United States and other arms-producing countries including Germany, the United Kingdom, France, Italy, Canada (63:2). In addition, Argentina and Brazil have established an international market (aircraft, helicopters, rockets, armored vehicles, warships, missiles, and munitions) from whom Venezuela can buy (19:26,77). However, in order to avoid a wide variety of weapons, and the problems deriving from lack of standardization, Venezuela needs to look towards one country as the major supplier.

Since the 1967 restrictive arms sale policy of the United States (which drastically reduced sophisticated weapons sales to Latin America), Venezuela has been turning to European sources for military supplies (7:7-8). However, the arms sales policy of the United States varies with the different administrations. During the Ford Administration (1975), the arms sales record was 16 billion dollars. It increased to 21.4 billion in 1982 under the Reagan

Administration. The Reagan Administration's arms sales policy, proclaimed in July 1981, represents a marked shift away from the Carter Administration's emphasis on restraint in conventional arms transfers and toward a policy of active government promotion and encouragement of arms sales abroad. The policy basically approves any foreign military sale which provides a positive net contribution to U.S. security interests, economically, militarily, or otherwise. There are no ceilings in terms of quantitative or qualitative control mechanisms (9:273). Therefore, with the current U.S. arms sales policy, Venezuela can again fulfill most her requirement needs from this country. Table XXX shows Venezuelan Air Force build-up and modernization requirement needs for the next decade.

TABLE XXX

VENEZUELAN AIR FORCE BUILD-UP AND MODERNIZATION
REQUIREMENT NEEDS FOR THE NEXT DECADE
(73:48-50, 106-107, 134-137, 159; 76:790-791; 77:88)

(Dollar amounts given in million reflect 1983 prices. Prices for C-130Hs and UH-60As have been computed adding an inflation factor of 20% to 1982 prices for the C-130H, and 62% to 1978 prices for the HU-60A)

SUPPLIER	WEAPON DESIGNATION AND DESCRIPTION	NUMBER TO ORDER	TOTAL COST	REMARKS
United States	A-10s Close air support aircraft	30	$535.5	Planned slow replacement of OV-10Es plus build-up to respond to possible future conflict
United States	E-3A AWACS Airborne early warning battle-field surveillance, and tactical control	10	$830	Assist F-16s, and deter nuclear weapons proliferation
United States	C-130H Transport	12	$198	Replacement of 5 C-47 and 7 C-123A

TABLE XXX (continued)

SUPPLIER	WEAPON DESIGNATION AND DESCRIPTION	NUMBER TO ORDER	TOTAL COST	REMARKS
United	UH-60 Utility and Tactical Transport	14	$111.3	Replacement of the 14 Alouette IIIs
TOTAL		66	$1,674.8	

NOTES: 1. Data studied in this chapter under para titled, "Venezuela's Air Force Build Up and Modernization Needs," were also used as sources for this table.
2. Spares, training, data, and support equipment not included in prices quoted for weapons systems.

SOURCES: (1) A Strategic and Economic Analysis of Canadian National Interest in Latin America by H.P. Klepak. Department of National Defense, Canada Operational Research and Analysis Establishment. Ottawa, Canada, 1978; (2) Hearings on Military Posture and H.R. 5968: Department of Defense Authorization for Appropriations for Fiscal Year 1983, Before the Committee on Armed Services House of Representatives Ninety-Seventh Congress. Second Session, 1982. U.S. Government Printing Office. Washington DC, 1982; (3) World Military Aviation: Aircraft, Air Forces, Weaponry, and insignia by Nikolaus Krivinyi. ARC Publishing Company, Inc.. New York NY, 1977.

Resources Enabling Venezuela to Pursue the Purchase of the Identified Weapons Requirement Needs. The dependency of Venezuela's economy on oil revenues has been discussed previously. With the world's decreased demand for oil, Venezuela's revenues have declined and this has caused unemployment, inflation, increased national debt, and currency devaluation. In order to have sufficient cash to buy the weapons needed, Venezuela could increase oil revenues as one available alternative. She can do this by searching for new markets and by increasing her exports to current customers. One of the largest Venezuelan oil consumers is the United States who buys over 650,000 barrels of Venezuelan oil per day (48:20). This amount can be increased if Venezuela obtains the preferential status she seeks for her oil in the U.S. markets constrained by the 1974 Trade Act, which excludes all OPEC members from the benefits conferred by the System of Generalized Tariff Preferences authorized by the Act (4:21). This was done as an answer to the OPEC oil embargo suffered by the United States; however, although a member of OPEC, Venezuela has never embargoed the United States or used her oil as a means of political blackmail (44:20). In 1975, both President Ford and the Secretary of State recognized this fact and urged a reconsideration of this provision, by requesting

legislation of both houses of Congress which would modify the OPEC clause allowing Venezuela to benefit from the Generalized Tariff Preferences. However, the Congress did not act on the Ford Administration's request and the restrictions are enforced today.

Another Venezuelan alternative for government income is taxes. The Venezuelan Congress approved new tax increases for oil companies in recent years but did not do the same for Venezuela's citizens. Furthermore, with a labor force of over 3 million persons, only 128,000 file income tax forms, and only 90,000 pay taxes (76:19). In addition, Venezuela could reduce her imports by stimulating agricultural and industrial production. The United States Foreign Military Sales provides an array of credits and grants to foreign nationals purchasing U.S. weapons. Venezuela, most likely, would qualify for these credits and grants, especially taking into consideration the U.S. interest in the country. She is one of the major oil producers in the world, one of the few successful democracies in Latin America, supports the U.S. policy in El Salvador, and is one of the most reliable and largest U.S. oil suppliers. Thus, Venezuela is a strong ally of the United States (48:1). This and her possible assistance from Latin

American weapons producing/exporting countries (Brazil and Argentina) through bilateral treaties could also be one of Venezuela's alternatives to pursue the purchase of the weapons she needs.

V. Conclusions and Recommendations

Multi-faceted discussions regarding Venezuela's history and threats; her present Air Force strength and readiness; her future modernization and build-up needs; the international weapon markets; Venezuela's economy; and the United States-Venezuela relations have been presented earlier. Up to this point, the study's main interest has been the documentation of key data describing and assessing Venezuela's internal and external threat, her present Air Force, and the relationships between Venezuela and the United States emphasizing the latter's Security Assistance Program (especially with respect to the impact it has had on the build-up of existing Central and South American air forces), and the role it can play in the future acquisition of additional assets to modernize and build-up Venezuela's Air Force. This chapter contains conclusions concerning Venezuela's threats; her Air Force modernization and build-up needs; the role of the United States Foreign Military Sales Program in the build-up and modernization of Venezuela's Air Force, and the financial and/or aid sources available to Venezuela in the pursuit of her Air Force build-up and modernization. This chapter also presents recommendations for further study believed necessary to enhance and complement this thesis.

Research Questions and Conclusions

Question 1. What historical events and factors contributed to make Venezuela one of the U.S.'s most important allies in Latin America?

Venezuela, a country under civilian government for nine years of its 132-year history of independence, became a democracy in 1958. Seven presidents have been elected since then and present indicators show this country to be a stable democracy generally sharing the same ideals as the United States. In addition to those shared democratic ideals (both condemn communism, support the existing democracies in the region, and grant assistance to form new democratic governments), Venezuela's oil resources, her international and Caribbean leadership role and the support she gives U.S. policy in the region (Venezuela fully supports U.S. policy in El Salvador, for example) makes this country one of the most important U.S. allies in Latin America. In 1960 Venezuela took the lead in the formation of the organization of Petroleum Exporting Countries (OPEC). The country has provided economic help to other nations in the region with discounts on oil prices. In addition, Venezuela has never used her oil for political issues. Despite the OPEC oil embargo in the 1960s, Venezuela continued supplying the United States. This established her not only as a friendly

ally but also as a reliable one. Today, Venezuela supplies the U.S. an approximate 650,000 barrels of oil per day. Venezuela is also one of the beneficiaries of the United States Foreign Military Sales Program. The two countries have signed several bilateral treaties for weapons sales/ acquisition.

Question 2. What are Venezuela's internal and external threats which lead to U.S. Security Assistance?

From 1958 to the present Venezuela has maintained peace and a democratic government despite a host of problems including economics, guerrilla activity, communist infiltration attempts, border disputes, and military build-up by neighboring countries.

The glut in world oil supplies, OPEC's limitation on Venezuelan production, and the recent rollback in oil prices have reduced Venezuelan oil income. This caused, in 1984, Venezuela's inflation rate to rise to 25%; unemployment to rise to 13%, and interest rates to rise to 20%. In addition, the increased national debt (over 30 billion dollars in 1983) contributed to the devaluation of the bolivar (one dollar equalled 4.29 bolivars in 1982, as compared to 10.69 bolivars per U.S. dollar in 1984). This economic situation creates an environment of general distrust about the ability of the government to continue to lead to rising prosperity.

The military, who historically have shaped Venezuela's destiny and who continue viewing themselves as the persons ultimately responsible for the country's future, could respond to this environment of general distrust of the democratic government by coup, or by unifying their efforts with guerrilla groups.

After the establishment of Venezuela's democratic form of government in 1958, communist and leftist parties formed a coalition to overthrow the democratic government. Supported overtly by Cuba with economic assistance (weapons and training), and indirectly by the Soviet Union guerrilla activity, although not severe, continues today. Another threat facing Venezuela today is her border disputes with Colombia, Brazil, and Guyana. Colombia and Venezuela have been unable since the 1800s to reach an agreement on the demarcation of the waters in the Gulf of Venezuela which is believed to be rich in oil. In addition, Venezuela has for sometime experienced continuing border incidents with Colombia over illegal immigration. Venezuelan authorities have recently killed some Colombians attempting to enter Venezuela, and thousands of undocumented Colombian workers have been arrested and kept incommunicado for three to six months without trial before being deported. Venezuela's problem with Brazil is that of rivalry as both nations drive

toward progressively greater hemispheric and extra-continental prominence. In addition, Brazil's initiative in 1966 to develop the Venezuela-Brazil border of the Amazonia region (nearly uninhabited), and the public support Brazil gives to Guyana (willing to provide this country with military assistance should Venezuela occupy any territory within the present borders of Guyana) increase the poor relations presently existing. The Venezuela-Guyana disagreement arises out of a claim by Venezuela to the Essequibo region of Guyana which comprises nearly 60% of Guyana's total area and is believed to have significant gold deposits and great hydroelectric potential. The expiration of the Port of Spain Protocol in 1982 (the protocol was signed in 1970 and held Venezuela and Guyana differences in abeyance for 12 years) has also caused increased tensions. Recently, Guyana mobilized her forces and held military maneuvers in the disputed region in response to alleged border incursions by Venezuelan helicopters. The last threat facing Venezuela today is the rapid and alarming military build-up of Argentina, Cuba, Brazil, Nicaragua, and Peru in excess of their apparent needs. Argentine and Brazilian rivalries have produced an ongoing military build-up by both nations. Both are weapons exporting countries with nuclear weapons capabilities. Experts believe Argentina and Brazil could

have "the bomb" within two to five years, respectively. Their arms capabilities present a serious threat to Venezuela's peace. Cuba, Nicaragua, and Peru have benefited from their support of Soviet policy. These countries military inventories include the MiG family of aircraft. (MiG- 17s, 19s, 21s, 24s, and possibly MiG-25s) among other sophisticated Soviet weapons. These weapons constitute a real threat to Venezuela's Air Force strength.

Question 3. How much modernization and build up does the Venezuelan Air Force need to face the threats?

Venezuela's economic dependency on oil makes the country highly vulnerable. In order to continue peaceful progress Venezuela must preserve her oil industry from sabotage or any other terrorist aggressive actions. Also, her border conflicts with Colombia, Brazil, and Guyana, and the existence of sophisticated Soviet weapons in the Cuba, Peru, and Nicaragua Air Force inventories demands Venezuela's Air Force build-up and modernization. Her obsolete and ageing weapons materials need to be replaced. In addition, build-up is necessary to counteract the threat imposed by the close presence of the MiG family of military aircraft in neighboring countries.

Guerrilla insurgency actions could increase and Venezuela's counter-insurgency squadron composed of 15 aging OV-10Es would be inadequate when one takes into consideration combat loss rates, the existence of modern Soviet tanks in the area, and the acquisition process lead time. Therefore, the researcher recommends the continued maintenance of this squadron, the purchase of thirty A-10 close-air-support aircraft in the next decade, and adding new inventories of counter-insurgency capabilities beyond this time as needed. In the fighter arena, Venezuela's purchase of 18 F-16As and 6 F-16B trainers, and her plans to procure an additional 24 F-16s once the first 24 aircraft attain operational status, is believed adequate to satisfy the country's fighter needs for the next decade. Venezuela is deficient in radar capability despite current efforts on correcting this deficiency. The effective operation of the F-16s require the support which could be provided by the Airborne Warning and Control System (AWACS) aircraft. In addition, the AWACS could serve as a deterrent to the threat of a possible surprise attack posed by the increasing nuclear threat in the Caribbean region. This researcher recommends Venezuela purchase 10 AWACS aircraft in the next decade. Military air transport in Venezuela's Air Force also calls for modernization. Five C-47s and 7 123As need

to be phased out. This researcher recommends they be replaced by 12 C-130H transports at the earliest practical date. The helicopter fleet also needs modernization within the next decade. Its inventory of 14 Alouette IIIs are believed to be outdated and this researcher recommends replacement with 14 UH-60 helicopters as soon as possible. The cost of these equipment improvements to the Venezuelan Air Force will be approximately 1.675 billion dollars in the next decade. This figure does not include training, spares, technical data, and logistical and/or additional support.

Question 4. What does Venezuela now have in her Air Force?

Venezuela's Air Force is composed of a mixed variety of weapon systems purchased from various sources within the international weapon markets. However, the large majority of the country's Air Force inventories have been purchased from the United States, on a cash basis, through the Foreign Military Sales Program. With 10,000 men (4,500 permanent and the rest being those serving 18-month mandatory military service) and over 200 aircraft located at major air bases (Caracas, Maracay, Maiquetia, Maturin, Maracaibo, Barcelona, Barquisimeto and Santo Domingo) the Air Force is considered

to be today the most modern branch of service in the Venezuelan Department of Defense. Its inventories are composed of the following weapon systems:

Aircraft

20 Canberra bomber aircraft (12 B-82, 5 B(I)-82, 1 PR-83, and 2 T-84)

22 Mirage fighter aircraft (15 IIIEV, 9 5V, and 4 5DV)

16 CF-5 interceptor fighter aircraft (14 CF-5A, and 2 CF-5D)

15 OV-10E close air support aircraft

1 Boeing 737 VIP transport aircraft

1 Gulfstream VIP transport aircraft

1 Cessna 500 VIP transport aircraft

5 C-130H transport aircraft

5 C-47 transport aircraft

7 C-123A transport aircraft

2 G-222 transport aircraft

3 King Air utility/liaison/reconnaissance aircraft

9 Queen Air utility/liaison/reconnaissance aircraft

8 Cessna 182N utility/liaison/reconnaissance aircraft

12 Jet Provost training aircraft

20 T-2D Buckeye (12 of these armed) training aircraft

23 T-34 Mentor training aircraft

4 F-16B training aircraft

2 F-16A fighter aircraft

Helicopters

2 Bell UH-1H VIP transport helicopter

4 Bell 47G utility/liaison/reconnaissance helicopter

14 Alouette III utility/liaison/reconnaissance helicopter

Ordnance

9,000 2.75 inch rocket motors MK45 MOD 3 and practice warheads

Electronics

7 radars AN/APQ-122(V) 5 used in C-130s

6 AN/APG-66 radars used in F-16s

Question 5. What is the present status of the Venezuelan Air Force readiness?

In the 1950s Venezuela started the purchase of new weapon systems. Up to this time Venezuela's weapons inventory was composed of U.S. war surplus and other aged materiel. In 1955 the Venezuelan government defense expenditures amounted to $105.3 million and by 1961 Venezuela had spent, in aggregate value since 1955, $10.3 billion dollars. However, because of the existing international flow of weapons and the United States restrictions on arms sales to Venezuela, the Air Force inventory consists primarily of weapons from dissimilar sources lacking standardization and therefore creating major logistics problems. The other

problem concerning the Venezuelan Air Force readiness is the amount of obsolete materiel remaining in the Air Force's inventory. Both problems, lack of materiel standardization and the amount of obsolete materiel, have been recognized by the Venezuelan government and appropriate measures have been implemented. Consequently, Venezuela enjoys today a readiness of over 75% compared to an estimated 73% in 1974. Continued progress in this area is sought by the Venezuelan Air Force which expects to achieve in the near future readiness ratings ranging from 75 to 80 percent.

Question 6. What role has the U.S. Security Assistance played in equipping and modernizing the Venezuelan Air Force?

Since 1950, Venezuela and the United States have signed several bilateral arms transfer agreements and Venezuela turned to the United States market for the purchase of materiel needed for her armed forces. However, in 1967 the United States imposed restrictions on arms transfers to Latin America and Venezuela turned to European markets. But, despite this fact, Venezuela's Air Force received most of its inventory from the United States weapons market: fighters (F-16, OV-10); transports (C-130, Cessna 182, C-47, C-123A, Boeing 737, DC-9, Gulfstream); utility/liaison/

reconnaissance (King Air, Queen Air, Cessna 182); training (T-2D Buckeye, T-34 Mentor); helicopters (Bell UH-1H, Bell 47G). In addition, the United States has provided Venezuela with spares, training, technical data, and support equipment for these weapon systems.

Question 7. What type and number of MAP and FMS items remain to be delivered to the Venezuelan Air Force through the 1980s under existing agreements?

Venezuela has not received MAP assistance from the United States. All her existing agreements were signed under the FMS program. Table XXXI shows the FMS orders by Venezuela, the number of items and date ordered, number of items and date delivered, and the number of items pending delivery.

TABLE XXXI

FMS ITEMS AND DATE ORDERED, NUMBER OF ITEMS AND DATE OF DELIVERY, AND THE NUMBER OF ITEMS PENDING DELIVERY (9:336; 63:2-3; 52)

NUMBER OR DOLLAR AMOUNT ORDERED	WEAPONS DESIGNATION AND DESCRIPTION	YEAR ORDERED	YEAR OF DELIV-ERY	NUMBER DELIV-ERED	PENDING DELIV-ERY
2 Units	C 130H-30 Transport	1981	-	-	2 Units
18 Units	F-16A Fighter	1981	1983	2	16 Units
6 Units	F-16B Trainers	1981	1983	4	2 Units
1 Unit	Gulfstream III transport/ utility	1982	-	-	1 Unit
$7.24 million	Spares, flight and maintenance for C-130H	1983	-	-	$7.24 million
24 Units	AN-APG-66 Radars for F-16A/Bs	1983	1983	6	16 Units
$6.7 million	Support equip-ment for F100 engine	1982	-	-	$6.7 million
$54.2 million	Maintenance, spares, training, support equip-ment for F-16s	1982	-	-	$54.2 million

TABLE XXXI (continued)

NUMBER OR DOLLAR AMOUNT ORDERED	WEAPONS DESIGNATION AND DESCRIPTION	YEAR ORDERED	YEAR OF DELIV-ERY	NUMBER DELIV-ERED	PENDING DELIV-ERY
22 Units	RT-1168/ARC-164(V) Transceivers	1982	-	-	22 Units
22 Units	RT-1389/ARC-195(V) VHF Transceivers	1982	-	-	22 Units
22 Units	R-442/VRC VHF Receivers	1982	-	-	22 Units
30 Units	PXL-280 Speech Scramblers	1982	-	-	30 Units
36 Units	An/GRC-171(V)2 Radios	1982	-	-	36 Units

NOTE: Electronics: transceivers, receivers, speech scramblers, and radios will support the Venezuelan Air Force and the other services as well.

SOURCES: (1) World Armaments and Disarmament. SIPRI Yearbook 1983. SIPRI Stockholm International Peace Research Institute. International Publications Service, Taylor & Francis Inc. New York NY, 1983; (2) "Venezuela II." DMS Market Intelligence Report: South America/ Australasia. DMS Inc.. Greenwich CT, 1983; (3) Lecture slide presented in CM 5.54, Seminar in Acquisition Management. School of Systems and Logistics, Air Force Institute of Technology (AU), Wright-Patterson Air Force Base OH, by Brigadier General Yates, 17 July 1984.

Question 8. Is Venezuela financially capable of buying what she needs to modernize and build-up her Air Force?

Venezuela's economy (dependent on oil revenues) has experienced a decreased income due to the world cut-backs in oil consumption. Despite this, Venezuela has managed to conduct her weapons acquisition dealings on a cash basis. Venezuela's oil revenue potential is sufficient guarantee qualifying this country for the many weapons sales credits available through the U.S. Foreign Military Sales Program. In addition, the increased national industrial and agricultural production has allowed a reduction in the country's imports consequently increasing the monetary amount available to purchase weapons. The evidence seems to indicate Venezuela will continue with heavy revenues, despite the economic problems now facing the country, and she will be able to purchase the weapons needed for national peace and progress.

Question 9. What possible sources of financial or military aid are available from other Latin American countries and other allies?

Venezuela, being the third largest oil producer in the world with a per capita income of about $3,900 dollars in 1983, is in an economically advantageous position in Latin America. The evidence does not advance the possibility of

Venezuela receiving either financial or military aid from other Latin American countries. However, Venezuela could possibly receive some assistance in the form of loans or discounts from allies having stable and strong economies such as the United States, Germany, France, and possibly Canada.

Recommendations

This study was limited to the analysis of the internal and external threats to Venezuela peace and security and her Air Force modernization and build-up needs to face these threats. Further research is needed for the Venezuelan Army, Navy, and National Guard modernization and build-up needs to complement this study's effort. Future findings will provide interested parties the overall modernization and build-up needs of Venezuela's entire Armed Forces. Further research may also be needed in the assessment of Venezuela's internal and external threats. The current instability in this region, and the continuous and tireless efforts of Cuba and the Soviet Union to increase guerrilla activity, could bring new developments and have added impact on Venezuela's present needs of military modernization and build-up.

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Venezuela, the third largest oil producer in the world and one of the few successful democracies in Latin America needs to preserve her oil-dependent-economy progress, and her national rest. To achieve these objectives Venezuela needs to identify her threats and modernize and build-up her forces accordingly.

This thesis studied Venezuela's internal and external threats, her Air Force modernization and build-up needs and the sources she has available for the acquisition of her Air Force identified needs. The country's economic resources to pursue her Air Force modernization and build-up, and the role the United States Security Assistance Program can play in modernizing and building-up Venezuela's Air Force were also studied. The results of this study indicate that Venezuela's threats could result in future conflict. Therefore, modernization and build-up of Venezuela's Air Force is necessary being the United States Security Assistance Program the most appropriate route to take in acquisitioning her Air Force identified needs in the next decade.